REPORT OF THE CONSTRUCTION

INDUSTRY ADVISORY COMMITTEE

Gordon G. Easton, Q.C.: Chairman

William A. Alcock: Member

Gonzo Gillingham: Member

This committee was appointed by the Honorable the Minister of Labour, T.A. Blanchard on July 11, 1985. In the appointment the Minister indicated the concern of Government over *"problems associated with the Construction Industry in the Province of Newfoundland"*. The Minister also indicated the desire of Government to ensure that *"adequate structures are in place to provide a stable Construction Labour Relations Climate in the Province"*. The terms of reference of the Committee read as follows:

"The Committee shall examine and report on the following terms of reference:

1. *Methods of settling jurisdictional disputes between unions operating on large construction projects.*

2. *Collective bargaining in the Construction Industry with particular reference to facilities related to the Petroleum Industry.*

3. *The adequacy of accreditation and speedy arbitration provisions in the Labour Relations Act.*

4. *The practice of employers in the construction industry over the past several years of maintaining a unionized and non-unionized company, employing the same classification of employees and performing the same kind of work."*

It was noted in the appointment that the Committee was to report its findings to the Minister within eight (8) weeks from its appointment, but this date was later extended by the Minister to allow the Committee to file its report and recommendations at this time.

The Committee advertised in daily and weekly newspapers and publications throughout the Province, and held private and public meetings. The committee also travelled to Corner Brook, Grand Falls and Gander. In addition, the Committee along with other interested parties including the Minister of Labour visited Norway and Sweden to obtain first hand information on Labour Relations activities in these countries with particular reference to Offshore Oil Construction Facilities. A resumeé of that particular facet of the Committee's work is included in this Report as Appendix A.

Briefs were received from various groups, and the contents of these briefs may be referred to on occasion in the course of this report. The briefs themselves are being submitted to the Minister in a separate sealed envelope. The briefs received and examined by the Committee were:

1. Newfoundland and Labrador Hydro

2. Newfoundland and Labrador Federation of Labour

3. St. John's Board of Trade

4. The Lundrigan Group Limited

5. Newfoundland and Labrador Provincial Council of Labour, Canadian Federation of Labour

6. International Brotherhood of Electrical Workers, Local Union 2330

7. General Presidents' Offshore-Onshore Committee for Eastern Canada

8. The Industrial Union of Marine and General Workers of Canada, Local 20

9. Pinsent Construction Company Limited, Stephenville

10. The United Brotherhood of Carpenters and Joiners of America, Local 579

11. The Newfoundland and Labrador Building Trades Council

12. The Newfoundland Construction Labour Relations Association

13. Newfoundland and Labrador Construction Association

14. Industrial Contractors' Association of Canada

15. International Association of Bridge, Structural and Ornamental Iron Workers (affiliated with AFL - CIO)

16. Canadian Petroleum Association Offshore Operators Division

17. Mechanical Contractors Association of Newfoundland and Labrador

18. Marystown Shipyard Limited

19. Newfoundland and Labrador Road Builders Association

20. The Committee acknowledges also letters and telegrams submitted by individuals and corporations which greatly assisted us in our discussions of the various matters.

GENERAL OBSERVATIONS AND COMMENTS

One cannot of course over emphasize the importance of the Construction Industry to the economy of this Province and indeed to the whole of Canada. The Construction Industry together with the ancillary industries such as building supplies account for approximately eighteen percent (18%) of the Gross National Product of our Country. The Construction Industry is unique and its Labour Relations Climate is unlike that of any other industry. As was pointed out in a recent Conciliation Board Report in the Province of Saskatchewan:

> *"The production rhythm in construction has to be totally different from that of manufacturing where the employees all work together on one location, at one time, in one integrated operation, mass producing goods which are sold for use elsewhere. The general contractor does some of the basic construction work itself, but in most cases the general will subcontract the skilled technical work (electrical, plumbing) to trade contractors who each make their own special contribution to the undertaking. Corresponding to each of these subcontractors are the several kinds of tradesmen who have the specialized skills that are required at different phases in the construction project. The normal pattern is for each firm to agree to have its supervisors and tradesmen and equipment at the job, at the right point in the construction schedule to perform their task. When they are finished, both contractors and tradesmen go their own separate ways, to perform the same kind of*

operations on different projects, at other sites and other new contracts." (See Report of Board of Conciliation in Saskatchewan October 4, 1985 - Richard I. Hornung Q.C. Chairman.)

Construction work by its very nature is sporadic and subject to many influences, social, economic and environmental. Especially in Newfoundland the influence of our harsh winter conditions dictates to a large degree the seasonal nature of the work. Our construction activity normally peaks in the summer months and only laboriously makes its way through our sometimes cruel winters. Because of this and other factors, it is difficult for contracting firms to keep together a permanent work force. The number of skilled and unskilled persons required vary dramatically from job to job and from time to time during the year. Consequently, it is more economic for the contractor to keep together a core of his top personnel and hire the skilled trades as new jobs and contracts come up. In Newfoundland of course, where we have a relatively small work force, many skilled persons are known to most foremen and supervisors and companies tend to try and employ known and trusted tradesmen. In that respect we quote Professor Weiler when in Chapter 6 or Reconcilable Differences (1980) Carswell, he observes:

"The character of the employment relationship in the construction industry is very different from what it is in the typical plant. There is no footing for the kind of tenured statues which employees now enjoy under most collective agreements. As well, there is no basis for the kind of enduring association which a group of employees can develop in an industrial bargaining unit. Any one job for the construction worker is short and fleeting and he must be prepared to be highly mobile, shifting from project to project across a wide geographic area."

H. Carl Goldenberg Q.C. observed in the Report of The Royal Commission on Labour Management Relations in the construction Industry (1981) that *"Unions are contractors for the supply of labour in the Construction Industry."*

The construction Industry in Newfoundland as in other parts of Canada is an extremely competitive one. As was pointed out to the Committee on numerous occasions there are too many contracting firms and contractors competing for too few contracts. The economy in our Province has been sluggish for the past few years and though there appears to be signs of improvement in other parts of the Country our general improvement is still unfortunately rather slow.

In the October 31, 1985, edition of the Globe and Mail in its Report on Business section, Canadata, a Southam Marketing Division predicts that construction in the commercial sector is expected to rise 6.2% compared with 6.5% last year. Industrial sector building shall grow 5.4% after a 5.5% increase this year. In an earlier edition of the Globe and Mail Bill Nevens, Chief Economist of the Canadian Construction Association is quoted as saying that *"the years 1985-1987 are viewed as recovery years, but it will be 1988 before the output levels of 1981 are realized again. We still have a long way to go to get back to pre-recession levels"*.

The recession and the weakening of the economy took its toll on the Construction Industry in Newfoundland. The few projects available to the building contractors led to fierce competition. Every conceivable strategy legally available was naturally employed by contractors to try and make bids as low as possible, allowing for profit margins which years ago would have been totally unacceptable. In their attempts to avoid going out of business, Companies that were normally Unionized formed Companies which either employed non-union labour or employed union members who worked for lower than negotiated union rates. The practice of "Double-Breasting" or "Spin-Off"

as it is sometimes called in other jurisdictions, will of course be addressed in more detail later in this Report. Extremely high unemployment, the general decline in all types of construction, the difficulty in trying to negotiate wage rates, demands for wage rollbacks, all combined to produce a less than desirable Labour Relations Climate.

Against this rather bleak backdrop one bright spot appeared. The Offshore Oil Industry indicated in 1985 its intention of proceeding with the construction of Gravity Based Systems. The proposal that such systems or structures can be built either in whole or in part in Newfoundland came as exhilarating news. All sectors and facets of our society are naturally extremely interested in developing to its full potential every opportunity to perform the required work and obtain the much needed employment. Concurrent with the desire of course is the sobering realization of the magnitude of the undertaking requires a skillful approach and careful planning. It has to be realized that the owners of such projects are carefully scrutinizing how Government and Industry is approaching this opportunity and what structures will be in place to ensure a precise and orderly development of what is, of course, a mega project. The manner in which we as Newfoundlanders handle this opportunity, will dictate not only the obtaining of this present anticipated benefit, but also other long range future developments.

We shall address in turn the terms of reference given to the Committee and conclude with our recommendations on each area of concern. We may also comment on other matters in the course of this report as we feel that there are additional factors which come within the ambit of our Mandate as given to us by the Minister.

METHODS OF SETTLING JURISDICTIONAL DISPUTES BETWEEN UNIONS OPERATING ON LARGE CONSTRUCTION PROJECTS

Most of the briefs submitted to the Committee addressed this question. In some cases the parties submitting their views appeared not to be as concerned as one might originally have expected them to be. For example, the Newfoundland and Labrador Building Trades Council took the position in its brief that "*the supposed problems in this area are more of a question of perception other than of reality*". It went on to say that "*persons other than the actual workers need not concern themselves with jurisdictional decisions*". This viewpoint is similar to the one expressed in the brief prepared and submitted by the Newfoundland and Labrador Federation of Labour. It suggested that a tribunal should be appointed which would consist of three (3) employee nominees (whose trade is not affected in the jurisdictional dispute) together with a chairman who would not, however, have any power to interfere with the decision. His function apparently would be to procedurally facilitate the handling of the dispute, but not take part or deal with the actual issue itself. The Federation of Labour Brief also suqqested that tribunal could, at its discretion, award damages against an employer to a union and its members if an improper work assignment had been made.

The St. John's Board of Trade felt that the problem existed mainly because of the well defined parameters of craft union jurisdiction, and that the key to a resolution of this would be to diversify the work functions, encouraging workers to cross over riqid work assignment lines. This would, in its opinion, over time broaden an employee's base of skills and make him (her) more adaptable in the labour force.

In other briefs, concern was expressed about the slowness sometimes experienced in resolving jurisdictional disputes. The present system involves the

submission of the question of which trade should have jurisdiction over the job to the International Unions. As was pointed out by the N.C.L.R.A. in its brief by the time a decision is finally made the particular construction project may be completed.

The view expressed by the Newfoundland Construction Labour Relations Association was shared by the Newfoundland and Labrador Construction Association which emphasized the tardiness of the present National Joint Board approach. In that brief it was pointed out that the problems of jurisdictional disputes have been addressed in other Canadian Jurisdictions by referring matters in dispute to a Construction Industry Panel of the Labour Relations Board. The Construction Association urged however that a part-time panel for the Construction Industry should be established as the work load of the Labour Relations Board would not allow it to deal with the problems which exist. That brief also echoed the concerns of the St. John's Board of Trade relative to the "craft" interests of the various Construction Trade Unions. It claims that the existing craft based division of labour is "not suited to a modern industrial process of working." In support of this contention it refers to a study done by M. Jacobson entitled INDUSTRIALIZATION OF BUILDING published in Stockholm in 1965 by where the author observed on Page 42:

> *"The lines of demarcation between the different worker groupings must be broken down . . .*
>
> *The firm primarily responsible for production should have the right to decide by whom and how the work can most suitably be carried out - regard being had of course to the social and other circumstances."*

A brief submitted by the Industrial Construction Association of Canada also addressed the problem of jurisdictional disputes. It reaffirms the concerns already expressed in other briefs that the process for settlement of jurisdictional disputes in the Industry has not always worked to the satisfaction of the various participants i.e. competing unions and contractors. It suggests the establishment of a Provincial Jurisdictional Assignment Plan along the lines of that used in British Columbia. The British Columbia model has been essentially adopted in Alberta and Saskatchewan and provides a mechanism for the contractor or a union to make an application to an "umpire" and receive a decision in hours, thereby eliminating the delays presently experienced when matters not settled at the local level must be referred to the National Joint Board. They recommended that the umpire would have to be a full time, experienced and knowledgeable person and the plan itself would be funded by a trust established by the Construction Labour Relations Association and the Local Association of Building Trades. Details of the Jurisdictional Assignment Plan as now in place in these Provinces were provided to the Committee and the adoption of this type of approach was strongly urged.

The International Association of Bridge, Structural and Ornamental Ironworkers, in its brief, recognized the problems that are presently being experienced and suggested the immediate institution of pre-job "mark ups" on work assignments. This process, of course, involves meetings between the interested craft unions and the contractor where work is assigned along usually recognized jurisdictional lines, using as precedents prior agreements and decisions approved by the Building and Construction Trades Department AFL-CIO. The Ironworkers also recognize the dangers involved in the delays sometimes experienced and also recommended the establishment of an impartial provincial board to hear and speedily resolve disputes. Similarly, the brief presented by the N.C.L.R.A. shared the views of the Ironworkers that there be use made of pre-job mark ups and pre-job conferences prior to the commencement of larger projects.

The Canadian Petroleum Association also endorsed the idea of a Board suggesting that there be equal representation from the parties involved with an impartial chairperson. Along with others, the Association maintained that the decision of the Board or Panel should be final and binding and that there be no work stoppage while the question was being arbitrated.

The necessity for some local and independent body was emphasized also in the brief presented by the Mechanical Contractors Association. It felt, however, that the proper mechanism would be the establishment of a Labour Court which could hear and adjudicate upon jurisdictional disputes. It felt that such a procedure might be necessary in order to facilitate the speedy resolution of jurisdictional disputes without work disruption.

Two common themes ran through all of the briefs and all of the discussions which the Committee had with the various participants. One was the present method is slow, cumbersome and almost ineffectual, certainly in the sense that by the time a decision is finally arrived at the project may be completed. In the meantime, of course, the possibility, if nothing else, always exists for illegal work stoppages or at least inefficiencies and low worker morale. Secondly, most people appear to favour some kind of impartial local (provincial) adjudication process designed to give speedy resolutions to jurisdictional problems which may arise on any particular project. The aim, of course, is to resolve the difficulties without any interference with the particular project. No work stoppages should be allowed to occur and the final disposition of the matter will have future precedential value.

The Construction Industry differs from most others in that it is organized along trade or craft lines. Workers belong to a particular craft union and employers are generally classified as specialists which match the craft

employed. Over many years each union has acquired, either through joint agreement with other trades, or through past practice, large areas of jurisdiction which are, in some cases, minutely defined or, in other cases are rather vaguely described. Naturally, the protection of craft jurisdiction by a particular union is of the utmost importance for a unions well-being and survival. Any erosion of jurisdiction means a corresponding loss of employment and union revenues.

For the most part, the jurisdictional lines are quite clear. However, from time to time, disputes arise between unions as to who is to perform a given area of work. Historically the industry has recognized these types of disputes as being different from the ordinary contract disputes. Most collective agreements contain procedures for settlement of jurisdictional disputes either by submission to the International Offices of the Unions involved or to the Impartial Disputes Board in Washington, U.S.A.

The disputes arise for a variety of different reasons. In some cases, the employer or person making the initial award of the work is not sufficiently aware of the jurisdictional lines previously drawn or the work is technologically new so that there is no past practice to rely upon. Architects and designers sometimes include work of a different trade in tender specifications of another trade. (For example, some work normally belonging to Carpenters may be included in the specifications for the Electrical Contractor). Most unions are too willing to accept an initial improper assignment of work in their favour and in some cases unions are not sufficiently aware of their own or another union's claims to make an informed decision on a jurisdictional dispute.

Consequently, jurisdictional disputes sometimes result in illegal work stoppages. Indeed, all Construction Collective Agreements take care to point out that jurisdictional work stoppages are illegal and shall be settled without stoppage or slowdown of work.

Before examining the current settlement procedures and recommending changes, we would like to discuss the craft system of construction and how it contributes to inefficiencies in the industry.

Non-Union contractors have a distinct advantage over union contractors in that they have the unrestrained ability to assign the worker with the appropriate skills to the particular job. The non-union contractor does not have to wait for a certain portion of the work to be completed by one trade before sending in another if he has in his workforce, persons with the required skills to perform more than one function. He can assign tasks within a particular trade jurisdiction to a semi, or unskilled worker. He can, if he feels it appropriate, train one group of craftsmen to perform the skills of another and be sure that they will exercise that skill without objection from a competing trade. In short, the non-union contractor has much greater control over he utilization of his workforce.

A clear example of the built-in inefficiency of the craft system is the welding function. Currently, seven unions have some jurisdictional claim to welding - Pipefitters, Boilermakers, Ironworkers, Millwrights, Carpenters, Sheetmetal workers and Electricians all claim certain portions of the welders job as their own and the functions are clearly broken down between each union. However, the problems arise when an employer wishes to transfer the welder from say, pipe welding to pressure vessel welding or structural welding. The system does not allow for it. He must lay-off the pipe-welder and hire a boilermaker-welder or ironworker-welder, even though the pipe-welder is qualified to perform all the tasks.

Therefore the conclusion is inescapable. The craft jurisdictional system, whether it is rigidly followed or carelessly applied is a cost to the union-contractor and perhaps one of the reasons for the growth of non-union construction.

The Committee feels that the industry, for all types of construction, must begin to look at the craft system. Ideally, most employers would like to see the system eliminated or drastically changed. We suggest, with respect, that significant changes in a system backed up by fifty or more years of craft history will not be easy. Nor do we suggest the elimination of craft unionism. However, there is a definite need for less rigid adherence to craft ideology on the part of building trades unions. Similarly, employers need to appreciate the unions legitimate concerns and realize that a loss of jurisdiction is life-threatening.

Submissions to the committee concerning jurisdictional disputes were unanimous in that the current settlement procedures are not acceptable and that some kind of final procedure be adopted. Also, all agreed that the initial assignment of work by the employer can be done better.

According, we recommend the following:

1. Jurisdictional disputes in Newfoundland should be submitted to the Labour Relations Board for final adjudication. We suggest that the Minister give the Building Trades Council and unionized employers 60 days to jointly nominate a jurisdictional umpire. In the event they are unable to agree, the Minister should appoint a suitable person. We further recommend that the jurisdictional umpire enjoy the status equivalent to that of a chairman or vice-chairman of the Labour Relations Board.

   The jurisdictional umpire should be given the power to adjudicate any jurisdictional disputes after hearing submissions from the unions and /or the employers involved. His decision shall take into consideration, among other things, existing agreements and decisions of record and past and area practice.

2. Employers should make more use of job mark-ups and pre-job conferences prior to the commencement of major jobs. Work assignments should be made as far in advance as possible so that any disputes may be resolved, either with the employer or the umpire prior to the beginning of the work.

3. The parties should make more use of composite crews on work where there may be jurisdictional cross-over. Work crews could be appointed as a mix of tradesmen having regard to the traditional jurisdictional breakdown but in the actual performance of the work they would work as a team without strict adherence to jurisdictional lines.

If more phases of construction were to use this concept it would eventually benefit all concerned in that the work would be more efficiently performed and the tradesman would be able to expand his skills and knowledge.

COLLECTIVE BARGAINING IN THE CONSTRUCTION INDUSTRY WITH PARTICULAR REFERENCE TO FACILITIES RELATED TO THE PETROLEUM INDUSTRY

This was a subject which evinced a considerable amount of interest and surprisingly, perhaps, a high degree of unanimity of opinion among those submitting briefs to the Committee. Naturally enough, of course, there was not a complete consensus on the proper approach which should be used, but the subject was indeed thoroughly canvassed and extensively discussed. There was an almost universal recognition by all parties who appeared before the Committee that it was essential to create a stable work environment, unmarred by some of the labour related problems that have sometimes, in the past, plagued the Construction Industry. Without exception everyone realized and appreciated the necessity of avoiding any Labour/Management conflict which would have the effect of discouraging investment in the Province, thereby diverting such investment to other jurisdictions. Everyone recognized that mega projects, especially those associated with the Offshore Oil Development, are of such importance and magnitude that the utmost care must be taken to ensure their ultimate success and full potential.

As mentioned earlier, the Committee had an opportunity to visit Norway and Sweden and toured both gravity base oil production system (GBS) and a floating oil production platform. We also met with labour, management and government officials and were, at least superficially, briefed on the labour-management structures in place in these countries. While impressed both with the enormity of especially the GBS and with the apparent high degree of labour stability, nevertheless, it is foolhardy in our opinion to attempt to superimpose their labour-management structures in our province. The experience was, nevertheless, very enlightening and gave us a better appreciation of the magnitude of the projects and of the problems that can be encountered and overcome.

The Committee was impressed, to say the least, with the high degree of co-operation between labour and management. It was evident that the adversarial posturing, so prevalent in North American relationships, played a much lesser role in the Scandanavian context. We believe unions and management could, and should, adopt a more partnership like approach in their dealings with each other. In all our discussions with the parties in both Norway and Sweden the consuming interest centered always on matters such as "scheduling", "co-operation" and "on-budget targeting". The importance of these concepts was totally obvious, and it was also clear that the parties were not just paying lip service to them.

Along with these considerations was the overriding concern that the positioning of a GBS can be scheduled only for certain periods of the year. In the Hibernia oil field, it appears that the positioning can be done only during the period of mid July to early September in any year. If this "weather window" is for any reason missed, then an entire year is essentially lost. Another extremely important factor to remember, of course, is that the tugs and equipment used to assemble and position the structures are in worldwide demand. They are scheduled well ahead of the time of their anticipated use and to miss this "weather window" could be catastrophic as far as the economic viability of the project was concerned. To further illustrate the magnitude and cost of the project reference should be made to Appendices B and C - extracted from the Environmental Impact Statement.

The Committee feels that it is imperative that labour, management and government exert every effort to achieve a high degree of co-operation. Everyone interested in this project must exhibit leadership, a high degree of professionalism, and a flexibility of approach which, up to this time, have not been always evident in this province. We feel that it is vital for everyone involved in the project to be kept completely abreast of all developments and there should be, in so far as possible, a free flow of information. The

Committee senses that some of the building trade unions, for example, may feel that they have not been fully informed of industries' requirements as far as employment opportunities are concerned. Also, there exists confusion and misunderstanding over the degree of skills required, and the amount of retraining and upgrading that may be necessary to equip our workers to handle the numerous tasks involved in this project.

The Committee has had an opportunity to review the findings of the Environmental Assessment Panel and note particularly its comments and recommendations in so far as the Newfoundland employment situation is concerned. On page 13 of the report it is noted that "*direct, indirect and induced labour demands were estimated at 86,000 Person Years (PY) for Newfoundland and 129,000 PY Canada wide*". We share the panel's concern as expressed on page 14 of the report that "*certain specialized positions (on the project) will require skills and experience not now available within the provincial work force nor readily attainable through training prior to the project proceeding*". Consequently, this Committee feels that every effort should be made to co-ordinate and expedite existing programs of training to maximize the accessibility of skills so that full advantage can be taken of all employment opportunities whether on or off the project site. The panel's recommendation for the establishment of a comprehensive training strategy is completely endorsed by this Committee.

The Committee feels that while the Provincial Government has unhesitatingly declared its intentions as far as the GBS is concerned, we must not forget that platforms capable of extracting oil from our offshore resources can and have been built elsewhere in the world. It is therefore, critical to the overall long-term viability of the oil resource that Newfoundland demonstrate its ability to produce the GBS consistent with the high degree of expertise and technical knowledge exhibited in other parts of the world. If we in this Province miss this opportunity then our future prospects are indeed bleak.

In 1981 the Canadian Construction Association published a book MEGA PROJECTS - THE COLLECTIVE BARGAINING DIMENSION. This book was the result of a study conducted by Paul C. Weiler, Gerard Hebert, Robert W. Mitchell, Joseph B. Rose and Kenneth Strand. The authors studied such projects as the B. C. Hydro Project, the Lorneville Project, the Bruce Nuclear Plant Project, the Syncrude Project and the James Bay Project. The book was the combination of nearly two years of intensive analysis by this highly respected group. The following table summarizes the main characteristics of the different labour relations systems that existed in mega projects in Canada during the years 1970 - 1980.

BASIC CHARACTERISTICS OF LABOUR RELATIONS ON CONSTRUCTION MEGA PROJECTS IN CANADA
1970 - 1980

LOCATION	BARGAINING UNIT			BARGAINING STRUCTURE
	Nature	Legal Basis	Scope	
BRITISH COLUMBIA Columbia & Peace River Projects	carve-out	voluntary agreement joint certification	all subcontractors including kitchen	industry-wide
ALBERTA Oil Sands & Heavy Crude Oil Plant	carve-out	by law (ALA 93.1 - .9) and government "designation by area" (ALA 93.4)	construction, camp & cafeteria facilities (93.6)	by trade
SASKATCHEWAN Poplar River Thermal Generating Plant	no carve-out	contractors included in industry bargaining structure	all contractors	by trade
MANITOBA Nelson River Projects		voluntary		
ONTARIO Ontario Hydro (Bruce & other projects)	special sector	permitted by law: EPS sector voluntary agreement	construction trades	multi-trade (8+) for master agreement by trade for appendix
QUEBEC James Bay Project	no carve-out	by law (Construction Industrial Labour Relations Act, s.13)	construction industry only non construction employers under different rules	industry-wide
NEW BRUNSWICK Lorneville Area Project	carve-out	by law (Industrial Relations Act 144-156)	construction trades	by trade (14)
NEWFOUNDLAND Churchill Falls Power Project	carve-out	by law (LRA, 70)	all employers including cafeteria	multi-trade (construction + hotel & restaurant workers

BASIC CHARACTERISTICS OF LABOUR RELATIONS ON CONSTRUCTION MEGA PROJECTS IN CANADA
1970 - 1980 (continued)

	AGREEMENTS (or legal) PROVISIONS				
LOCATION	Duration (or term)	Right to Strike	Reference Agreement	Hiring Procedures	Jurisdiction Conflicts
BRITISH COLUMBIA	1962 - 66 -71 1977 - 81 (-84)	no-strike/no-lockout by agreement	B.C. C.L.R.A. agreements	C.H.C. and P.P.C. through C.M.C. to union hiring halls	Provincial J.A.P. 1. referred to Umpire 2. appeal to Impartial Board Pre-job conference
ALBERTA	"Until completion of plant in designated area" ALA, 93.7, 3 4	no-strike/no-lockout in force until completion	Edmonton or Alberta agreements, according to trades	Bechtel to unions hiring halls C.M.C., etc.	Impartial Board (Washington) Pre-job conference & monthly meetings
SASKATCHEWAN	2-year agreement normal	as usual	none	union hiring halls	Recourse to Impartial Board (Wash.)
MANITOBA	until December 31, 1986	no-strike/no-lockout by agreement	Construction Industry Wages Act: Greater Winnipeg Schedule	Canada Manpower Northern Manpower Corps. and Union hiring halls	Recource to Impartial Board (Wash.)
ONTARIO	10 years 1974 1984	no-strike/no-lockout clause with annual reopener and right to strike	"nearest influencing representative agreement pick-up wages	By EPSCA, through unions hiring halls and otherwise	Recourse to Impartial Board (Wash.) If no decision 60 days received to OLRB
QUEBEC	3 years 1970 -73 -76 -79 -82	As usual	none	3 possibilities: unions h.h. directly (employer) C.M.C. .. OCQ ..	Arbitration Council under Manpower Vocational Training & Qualifications Act
NEW BRUNSWICK	2 years 1973 -76 -78 -80	As usual	none	By employers strictly union	Inconsistencies and deficiencies between various agreements
NEWFOUNDLAND	1967 - 1975	no-strike/no-lockout by agreement	Average of increases in 10 cities across Canada	Churchill Falls, Bechtel, Employers union or other	National Joint Board

BASIC CHARACTERISTICS OF LABOUR RELATIONS ON CONSTRUCTION MEGA PROJECTS IN CANADA
1970 - 1980 (continued)

LOCATION	BARGAINING AGENTS		IMPACT ON	
	Management	Unions	Wages	Work Stoppages
BRITISH COLUMBIA	Columbia Hydro Constructors Ltd. Peace Power Constructors Ltd.	Allied Hydro Council of B.C.	1974-76; highest increase (2.90 over 2 years)	on mega project (illegal) '74 jurisdiction 21,000 1978 other: 45,000 man-hours lost
ALBERTA	"Principal contractor" (Bechtel for Syncrude)	various building trades unions	wage increases: gap with Ontario 18%- '72; 2%- '77	1975 unprecedented strike activity (3 times) Syncrude: 436,000 m.h. (175,000 jurisdiction)
SASKATCHEWAN	Saskatchewan Power Corp. Construction Management (Representative employers organizations bargaining)	various building trades unions	none	none
MANITOBA	Manitoba Hydro	Allied Hydro Council and individual unions	none (?)	none (?)
ONTARIO	Electric Power Systems Construction Assoc. (EPSCA)	Ontario Allied Construction Trades Council (8+) and individual unions	limited impact	limited impact
QUEBEC	Assoc. des entrepreneurs en construction du Quebec (AECQ)	Union central bodies (QFL, CNTU, Building Trades Council, CSD) 100% union by law	none (?)	none
NEW BRUNSWICK	Lorneville Bargaining Authority (+ Construction panel)	12 building trades unions	minor and irregular discrepancies	most are illegal 1978: IBEW 9-week strike
NEWFOUNDLAND	Churchill Falls Power Project Contractors Association	Churchill Falls P.P. Allied Construction Council & 11 unions		

In his introduction to the book Professor Weiler comments on pages 8 and 9:

> *"In its natural state, building construction, its labour market, and its collective bargaining are inherently fragmented. Ultimately this is a function of the technological character of large building projects and the need for operational specialization of the firms and tradesmen who perform a small number of highly skilled tasks. Without going into further detail, suffice it to say that any sizeable and complex construction project, usually done under the auspices of a single general contractor (along with an architect and/or engineering firm), will utilize a variety of types of skilled tradesmen, employed by a considerable number of specialty contractors, and represented by fully seventeen international building trades unions operating in Canada and the United States. Any one of these specialized sub-contractors will come on site with employees drawn from its own particular craft for a few days or weeks in the construction schedule, make its own peculiar contribution to the project, and then leave to go off and play the same role on another project, perhaps many kilometers away, and usually with a totally different complement of employees from that craft and union.*
>
> *It has long been apparent that the basic industrial model in Canadian labour law is not viable in building construction. An immediate grouping of construction employees--the shifting collection of tradesmen who happen to be working*

> *for a single sub-contractor on a specific project--simply bears no resemblance to a stable corps of employees who work for one employer for an enduring period at a single location, be it a shop, store, or plant. For the past three decades, construction industrial relations has been trying to free itself from the constraints of this molecular image of the bargaining unit which is at the core of North American labour law; to develop a broader structure for union organization, for collective bargaining, and for administration of the collective agreement, beyond the fleeting initial contact on a single building site."*

The comments made by Professor Weiler, are we feel, applicable to the situation which we anticipate in the project which is slowly evolving from the efforts of the various participants over the past number of years. The scope, the magnitude and impact of this project can hardly be overstated. Its importance to the economy not only of Newfoundland but also of Canada is of extreme significance. Every effort must be made to ensure its ultimate success. As Professor Weiler observed on page 567 of the study:

> *"In appraising the virtues of a carve-out for the mega project itself, one must recognize the two dimensions of this issue. The first, and obvious one is labour peace: keeping the work site free of work stoppages. The second objective, more subtle but just as important, is securing contract terms aptly tailored to the need of the mega project, conditions which are conducive to decent productivity when the trades are working."*

It is unfortunate that the construction industry in Newfoundland is replete with examples of labour management difficulties that have occurred, of course, for numerous reasons. It is useless and probably foolhardy for this Committee to attempt to lay blame on any one party, or even to smear everyone with the same brush. It is however, self-evident that we have experienced many problems in the past and it is our mandate to examine the mistakes that have been made and try if possible to avoid them in the future.

One of the touchstones, in almost every discussion of this topic, was the construction of the Come by Chance Oil Refinery in the early 1970's. That ill-fated project was unfortunately plagued by numerous problems. At one time an attempt was made to execute a major agreement for the entire project. While most of the Building Trades Unions were covered by that Master Agreement it appears that two (2) others were not. In any event a review of the events of the years 1971 and 1972 show that for various reasons a number of labour disputes arose which caused a significant loss in manhours. Statistics compiled by the Department of Labour indicate, for example, that form June 1, 1971 to July 27, 1972 twelve (12) strikes occurred without a total manhour loss to both the main contractor and sub-contractors of 96,727 hours.

There is obviously little point in belabouring this issue, or in any way attempting to apportion or allocate blame. The sad fact remains, that there were difficulties and all of the participants in discussions with the Committee sincerely wished to avoid any of these problems on any future projects. The approach to Collective Bargaining in the Construction Industry and the whole question of Employer/Employee Relationships was, of course addressed in most of the briefs.

It was the contention of the St. John's Board of Trade that any Project Management Agreement should not stipulate that work be done only by companies using unionized employees. It felt that such a requirement would be "inequitable and onerous".

The Newfoundland and Labrador Construction Association recommended that the proper approach to any development or project in the Construction Industry is the adoption of an openshop policy. It contended that a project of the size and economic impact of the GBS "*would provide the most benefit socially throughout the Province if the Labour Pool availed of was as diverse as possible*". The Association takes the position that the concept of "industrialization" applied to the Construction Industry would dramatically alleviate many of the traditional problems associated with the Industry. It suggests the enactment of Legislation accepting the recommendations of the Cohen Report (St. John's Queen's Printers - 1972) providing for a mechanism for a Union to seek membership in a Council of Trade Unions through the Labour Relations Board. It suggests with particular reference to a GBS Project that a schedule of the construction would be prepared with a breakdown of each aspect of the project together with a designation of the primary functions to be performed. Each contractor on the project would have a designation of:

(a) Non-Union
(b) Union (industrial), or
(c) Union (construction)

The Association suggested a rather complex formula for check-off Union Dues as far as the Industrial Unions are concerned, and rather more significantly suggested any current Collective Agreements would be void while members were working on a special project. The special Project Agreement would apply. The ramifications for such a step were unfortunately, perhaps, not discussed at any great length. The pivotal consideration of such an openshop concept was the

necessity of the contractor being able to direct his work forces *"without regard to work jurisdiction rules"*. The Brief of the Association concluded on this point that *"if a 'problem' exists in the Construction Industry today (which is not accepted by the Association) it is a direct result of the negative market forces which cannot and should not be tinkered with by Legislators"*.

Contrasted with this view is the opinion expressed by almost all of the other Briefs submitted to the Committee. The Lundrigan Group Limited, for example, recommended that any construction related to the Petroleum Industry should be declared a Special Project under Section 69 of The Labour Relations Act (1977) and that joint bargaining be carried on between a Council of Trade Unions and Employers. The Newfoundland and Labrador Federation of Labour while believing that there ought to be no special provision for collective bargaining, nevertheless, recognize the practice of *"(the) declaration of Special Projects in the Construction Industry"*. The Newfoundland and Labrador Provincial Council of Labour (CFL) also suggested that the Government issue an Order in Council designating Petroleum Related Construction "Special Projects" under the appropriate Section of the Labour Relations Act. It encouraged immediate consultation among the Oil Companies, Newfoundland and Labrador Buiding Trades Council, the N.C.L.R.A. and applicable Government Departments. This same approach was adopted by the International Brotherhood of Electrical Workers Local Union 2330 and the General Presidents OffShore - OnShore Committee For Eastern Canada.

The Newfoundland Construction Labour Relations Association representing approximately one hundred and fifty (150) Unionized Employers operating in the Commercial and Industrial Sectors of the Construction Industry addressed the question of collective bargaining in its brief and emphatically stressed the necessity of there being no disruption on mega projects due to labour problems. It recommends the negotiation of a comprehensive Collective Agreement

between that Association and a Certified Council of Building Trades Unions extending over the life of the Project. This Agreement should cover the Base, Topside Assembly, Mating Assembly and Site Preparation and Servicing. It is also recommended that the Government declare the undertaking a Special Project under existing Legislation. The Industrial Contractors Association of Canada in its Brief, stressed the unique features of Major Industrial Projects. It pointed out that these included:

> *"The lengthy duration of each project, the immense capital investment required and the vast number of tradesmen and other personnel requirements in each project, and the fact that every one of the Building Trades is represented on each project."*

This Brief stressed that it is imperative for there to be a high degree of labour stability, otherwise owners/clients are discouraged from making the large capital investments required. It also pointed out the advantage of not having large projects tied in with local Collective Agreements, as work related problems at the local level could then impair the stability of the larger project. The Industrial Contractors Association brief suggested the establishment of a new Industrial Sector through enabling Legislation which would provide for a separate Collective Agreement covering major projects which are capital and labour intensive. The Legislation would allow the interested contractors to negotiate Collective Agreements with the interested trades.

The Brief submitted by the Mechanical Contractors Association of Newfoundland and Labrador supported the concept that *"the implementation of statutory provisions requiring the Agreements will do much to bring peace and tranquility to the Labour scene in the Province"*. The Canadian Petroleum Association while suggesting there be an

accommodation made to allow a mix of union and non-union contractors, recommended that the total project should be covered by a no strike no lockout provision. The importance of using qualified local labour was emphasized also in that Brief.

The Committee has examined in detail the various issues on this most important topic. We have seen that while different approaches have sometimes been used, everyone without exception recognized the necessity of ensuring that there be stability in the work place, and that the on-target completion of mega projects is essential to its viability. The complexity of the mega projects and the huge investments required, dictate that, insofar as it is humanly possible, nothing should be left to chance. Careful and thoughtful planning is critical, adapting as best one can to the time constraints which appear to be rapidly approaching.

We feel that the realities of the situation must be looked at and bold experimentation cutting across jurisdictional and long established employer/employee relationships must be avoided. This is not to say that we must not encourage reassessments of attitudes and ideas. Obviously, this is always desirable. However, to try and supplant in one fell swoop traditional methods and approaches, is dangerous and short-sighted. We cannot at this stage allow ourselves the luxury of dramatic innovation. We should rather take the best of what we have, build, adapt and expand on that, and not attempt to create potentially explosive relationships. Any re-thinking of traditional patterns must be accompanied by an appreciation of our history, and of the complexities associated with the Construction Industry.

Special Project Declaration

The Committee has given the various proposals and methods of approach to the construction of this project a great deal of thought. Obviously,

this assertion can and probably will be challenged by those who disagree with our conclusions on this term of reference. We have however, unanimously come to the conclusion that the designation of this project as a Special Project under The Labour Relations Act of this Province will give it its best change of success. We realize of course that there cannot and never will be a guarantee of industrial peace throughout the life of any project. Nevertheless, we feel that by carving out this project and giving it a Special Project designation, there is a far greater chance of its viability than to leave development to the totally unregulated forces of the market place. Obviously there is nothing startling new or revolutionary in this approach. At least with this approach there is a commitment to the concept of there being no strikes or lockouts during the life of the project once the Agreement is in place. While the concept of the open shop may indeed be very workable under certain circumstances, we do not feel that it is either desirable or possible to implement it on a project of this nature. It is, in essence, leaving too much to chance, and there is, in our opinion, a better chance of overall viability by adopting the route we are suggesting. Earlier reference was made to the study commissioned by the Canadian Construction Association of which study Professor Weiler was the Chairman. On pages 573-4 of the book MEGA-PROJECTS, he comes to this conclusion:

> *"My own judgment from reading the case studies is that, over all, the carve-out arrangement did have a relatively benign effect on the mega projects themselves. It protected the site from the spillover of labour strife within major building construction; and it did so while affording the owner a reasonable degree of flexibility to tailor the standard collective agreement to the special needs of large and lengthy construction projects. I add immediately, that a legal carve-out is not a necessary means to this*

end--as the James Bay experience illustrates; nor is it a sufficient condition for untroubled labour relations--as Lorneville vividly testifies. But, looking back over the seventies, I believe that this policy was a good thing for the Peace-Columbia River development in British Columbia, the Bruce Nuclear project in Ontario, and the Syncrude tar sands plant in Alberta. Each was insulated from the traumatic evolution of construction industry bargaining in their respective provinces during this decade. However, this conclusion merely sets the stage for the major policy issue on our agenda. Were these happy results for the mega project secured only at an unfair and unacceptable price paid by the external construction bargaining system which experienced that unrest?"

Professor Weiler goes on to look at the issue and the arguments which were presented both for and against the concept of a carve out. The arguments and view points which he examined will no doubt be raised in any re-examination of a decision to carve out this particular project should the decision in fact be made. Unassailable definitive pronouncements can very rarely be made. As Weiler himself admitted at the end of his case study:

"Ironically, then, even at the end of this lengthy journey, we cannot provide a simple, unambiguous answer about the ideal treatment for a mega project, even from the single perspective of the CLRA's themselves. Everything depends on contacts: the economic demensions of and the public need for the project; the size and composition of its work force; the degree and tone of unionization of the construction labour force;

the structure of regional industry bargaining and so on..." .

This Committee feels that the various criteria mentioned by Professor Weiler as being pertinent to an examination or appraisal of a mega project all combine here to persuade us that, the carving out of this project as a Special Project, is by far and away, the best road to travel. While there are dangers, pitfalls and disadvantages on this road, we are convinced that to embark on any other route would be totally short sighted and completely inadvisable.

As indicated, we are of the opinion that the construction of the Gravity Base System should be declared a Special Project under Section 70 of the Labour Relations Act. Having said that, however, we feel that government has to consider a number of changes to the Act which should help to ensure labour peace, work continuity, and prevent the potential spillover from the project to local construction and vice-versa. These changes are required in Sections 61, 69 and 70 to allow for the Newfoundland Construction Labour Relations Association, together with the Project Contractors, to be responsible for the negotiation and administration of the Agreement. It is vital that a high degree of co-operation between the local industry and the project contractors exist to prevent the spillover that may occur. Having observed the Come-by-Chance project and the many labour relations problems resulting from that, the committee strongly feels that construction management should speak with the same voice in all parts of the industry.

The employees involved in the project should be represented by a Bargaining Council of the Building Trades Unions in Newfoundland. Each union should have equal representation on the Council and, given the success of the Churchill Falls Project, each International Union should, as well, be represented on the Council.As alluded to earlier, the Bargaining Council should be a different entity

than the Newfoundland and Labrador Building and Construction Trades Council and should have full authority to negotiate and administer the agreement.

We know that a Project Agreement is no guarantee of peace, but faced with the prospect of unionization part-way through the job and all the uncertainties accompanied with that, we have no hesitation in recommending that the project be Union. Good labour relations is a function of the commitment of the parties towards making it work. With a Project Agreement in place, the owner and contractors will know with greater certainty labour costs, and the tradesmen will know what wages and benefits to expect for a longer than usual period of time without the possibility of resorting to strike action.

Scope Of Project Agreement

The Project Agreement should cover all construction involved in the Base, Topside Assembly, Mating and Offshore Hookup and Commissioning, as well as all ancillary work, services and catering related thereto. The Committee heard differing points of view on the scope of a Project agreement especially as it may relate to the buiding of modules for the structure if those modules happen to be built in Newfoundland. One school of thought maintains that anything related to the project should come under the Project Agreement, because its relevance is such that all components are vital to the completion of the job. It asserts that the risk should not be run of its being delayed by labour unrest.

The Committee is of the opinion that modules, if they are built in Newfoundland, will likely be built by firms who are currently unionized, on the Industrial Pattern, and to supplant that union with the Building Trades Unions would result in chaos. Given the International competition involved, we feel that to put into place terms and conditions that are likely to exist on a construction

project for the building of modules, would probably ensure that no modules would be built in Newfoundland.

It is obvious that the speedy resolution of grievances that may arise on a mega project of the type contemplated here is of extreme importance. Nevertheless, we do not think it is necessary to superimpose upon the labour management relationship any new structure. Rather, advantage should be taken of what is already in place. In that regard, we should point out that reference has been made by various parties to the sometimes unavailability of arbitrators and some tardiness in the handing down of decisions. The Committee feels that these problems can be addressed by the parties and resolved in their master Collective Agreement. We suggest that the parties at the time of the negotiation of their Contract agree on a a number of arbitrators from the approved panel of arbitrators to hear disputes. We feel that four arbitrators would probably be a sufficient number. These arbitrators should then be requested to assign dates for the hearing of arbitrations on a rotating basis. It is probable that the scheduling of one day per month would be quite sufficient. This scheduling should be done for the anticipated life of the project. In this way the arbitrators would then be available whether or not there are cases to be heard. The fee for that day should be paid whether the matter proceeds or not. We feel that this would be a small price indeed to pay to ensure that the matter can be heard and decided expeditiously. ALso, we feel that the selected arbitrators should undertake to have some other arbitrator from the approved panel replace him or her should the unavailability to sit be due to illness or any other unforeseen emergency. This condition should be made clear to the arbitrator at the outset. It should also be established that the decisions must be handed down within a certain agreed upon time. We would suggest two weeks.

Jurisdictional Flexibility

Closely allied with the special project question is the need for jurisdictional flexibility in its construction. It was clear that the general consensus from oil industry representatives and employers hoping to obtain contracts for the work related to offshore construction, was that there should be far greater flexibility in the utilization of the work force. This flexibility will inevitably mean that the strict craft jurisdiction will have to be modified. This is necessary, to a large degree, because of the intense competition in the world economy for the construction of the GBS and related structures. Without flexibility the employers are concerned that the competitiveness in a global situation will be restricted.

Craft unions have not been totally unreasonable over the years and they have, particularly on large construction jobs, acknowledged this concern by working with composite crews. This practice recognized the need for the trades in certain work situations to work closely together for the benefit of both the unions and the employers.

The Committee recommends that composite crews be utilized to the fullest extent. To allow for a little more flexibility, composite crews can be modified to allow a tradesman to perform work that would normally fall outside his jurisdiction. In deciding the crews, particular attention will be paid to the allocation of tradesmen along craft lines. Once it is decided, for example, that three welders from the pipe fitter jurisdiction, two welders from the ironworkers jurisdiction and two welders from the boilermakers jurisdiction are required, those welders, when assigned to a job, would perform all work without regard to jurisdiction. The welders, however, would be hired in proportion to the normal craft jurisdiction breakdown and dues would be remitted to the union in that proportion. The major difference is that this practice would allow greater flexibility in the assignment and performance of work.

The committee feels that there will be a shortage of skilled employees in certain trades. Where there are shortages, every effort should be made to train tradesmen from the existing work force where this is found to be feasible. So as to recognize the individual craft union jurisdiction, employees would make union dues contributions to the appropriate craft union while working outside their normal jurisdiction. The success of the GBS will depend to a large extent on the ability of the unions and contractors to work closely in all aspects of the running of the construction site. There will be a need for clearly identifiable structures on both sides where day-to-day decisions can be made apart from influences of forces outside the site area.

The committee, during its discussions with the various interest groups, realized that there is a significant difference between the contractors and trade unions as to the skills required and the skills available. The committee feels that the area of training is crucial to the development, and believes that there is a need for the contractors, trade unions and government to work quickly and in concert to ensure that the skills required are properly identified and a training program is implemented to upgrade and train the necessary workforce.

During the review process, contractors seeking to work on the GBS have provided the committee with a background as to the complexity of the work to be performed on the site, particularly as it relates to the construction of the topsides.

The construction of this facility will require numerous specialized crafts to perform high quality work and perform it to meet the rigorous codes and specifications required. This facility will require the skills and experience gained through working in the construction of refineries, petrochemical plants, large power plants or other similar projects.

Concern has been expressed that a number of tradesmen with the required skills are not available in the province. From its observations the committee concurs with these concerns. There is an immediate need to put in place, with the assistance of the industry, a training program. In many cases it may only be necessary for a short upgrading program for the tradesmen who possess the basic skills. However, in many areas it appears that extensive upgrading will be necessary.

Some of the contractors have identified specific trades that are required for the construction of the topside elements. Specific training will be required for welders, structural fitters/platers, large mobile crane operators, electronic and instrument personnel and rigging/scaffolding personnel. Those contractorshave also indicated that they have the facilities and personnel to facilitate this training.

The committee views the area of training to be a significant element in the development of the offshore and emphasizes the need for the trade unions, contractors and government to immediately examine this area. Government should take the lead in initiating a program to meet the anticipated training needs.

Government, Labour and Management Liaison

We alluded earlier to the necessity of there being a free flow of information between the various parties involved in the planning and development of facilities connected with the offshore project. In this respect we feel that the government has a very great responsibility. While the resources and personnel of the Department of Labour are available to parties who have become involved in various kinds of employer/employee disagreements, it is, we feel, necessary to try and avoid such confrontations at the beginning. We recognize that

direct government involvement or interference is probably undesirable, but there needs to be in place some mechanism or procedure which will hopefully avoid any buildup of misunderstandings or tensions both before and during the developmental stage. A liason needs to be established between government, the oil industry, and the various Unions or Council of Trade Unions who may be involved in this project. To that end, we feel it is essential that there be some one individual entrusted with the specific responsibility of overseeing this area of labour management relations. This individual should be one who is well versed in the field and one who enjoys the trust or is capable of cultivating the trust of the various parties concerned with this project. We visualize the role of that individual as somewhat of a labour-management troubleshooter, whose primary function would be to defuse, as much as possible, potentially difficult situations before they become explosive.

The Committee recognizes that the argument can be made that there are already in place specific mechanisms and human resources to achieve this end. We believe, however, that while this point may have some validity, what is needed here is someone specifically assigned to this whole project and the individual would be entrusted solely with these duties. We feel that this individual should have now, or acquire a status somewhat similar or equivalent to, either an Assistant Deputy Minister or a Deputy Minister to the Minister of Labour. It is, we think, essential to have one individual recognized as being the catalyst or sounding board for the concerns and problems of the parties in the area of employer/employee relationships. Otherwise, what might happen, of course, is that if no one person is responsible, there is a danger of indecision, buck passing and unaccountability. Any subject or area of concern which comes under the rubic of human relations would be within the scope or terms of reference of this position.

THE ADEQUACY OF ACCREDITATION AND SPEEDY ARBITRATION PROVISIONS IN THE LABOUR RELATIONS ACT

Accreditation

Under Section 54(1) of the Labour Relations Act an "Accredited Employers Organization" means an organization of employers that is Accredited under this Act as the bargaining agent for a unit of employers in the construction industry.

The Construction Industry means the on-site constructing, erecting, altering, decorating, repairing or demolishing of buildings, structures, roads, sewers, watermains, pipelines, tunnels, shafts, bridges, wharfs, piers, canals or other works. "Sector" means four divisions of the Construction Industry, namely: (1) the industrial and commercial division; (2) the house building division; (3) the sewers, tunnels and watermains division; or (4) the road building division.

Traditionally, it has been the practice in Newfoundland for negotiations in the construction industry to be carried out by a single trade union on behalf of its craft with the Newfoundland Construction Labour Relations Association acting on behalf of unionized employers. The Newfoundland Construction Labour Relations Association was accredited by an Order dated 12 October 1976. Each union is completely autonomous and in the past has acted on an individual union basis independent of the other building trade unions. Problems with this approach have arisen in the past and there apparently has been an ongoing discussion between the Newfoundland Construction Labour Relations Association, the government and the Building Trades Council in an effort to resolve some of the difficulties.

In its brief to the Committee, the Newfoundland and Labrador Provincial Council of Labour commented that under our present system of accreditationcontractors can operate outside or inside an accreditation order but the unions have no such flexibility. Unions cannot sign Collective Agreements with individual contractors as they are bound to deal with the Newfoundland Construction Labour Relations Association. This is felt to be inequitable. Also in their brief the Council drew the attention of the Committee to Section C of the Accreditation Order which it claims is ambiguous. Also, it claims that it is time to review and possibly revise the divisions of the sectors as covered by the Act.

In its brief, the I.B.E.W. Local 2330 claims that accreditation in its present form allows the employer the freedom to do as he pleases while the various trade unions are constrained in having to deal with the Newfoundland Construction Labour Relations Association and cannot negotiate directly with individual contractors.

The Mechanical Contractors Association of Newfoundland and Labrador took the position on the other hand that "*the accredited organization serves as a stabilizing influence . . . and it forms a priceless function when the bargaining process begins throughout the industry.*" While the Committee is aware of the concerns expressed regarding the adequacy of Accreditation, we feel it is difficult to direct parties in respect of who represents them at the bargaining table.

Arbitration

Perhaps rather oddly, there hardly seemed to be much concern over the adequacy, or otherwise, of the arbitration provisions in The Labour Relations Act. The Newfoundland Construction Association found that the procedures as set out in Section 88 of the Act are swift and efficient when they are used. It

contended that if there are delays they arise either because of the unavailability of competent arbitrators or tardiness on the part of arbitrators in handing down decisions. That association also claims that unions do not process their grievances in a timely fashion and this causes delays and fosters discontent.

The Mechanical Construction Association, while asserting that the arbitration process as covered by the Act, appears cumbersome and ineffective, nevertheless was not prepared to recommend that there be any changes in the Act.

The Committee was asked to address its attention to the adequacy of the arbitration procedures in the settling of labour disputes. As mentioned, this question did not appear to be one causing any large degree of concern among those persons presenting briefs to the Committee. We feel, however, that with the advent of offshore development there is certain refinement that could be introduced that may be of mutual benefit to both management and labour in the speedier resolution of grievance and arbitration proceedings.

For a number of years we have had in place in Newfoundland a system whereby unionized employers or representatives of unions have agreed to the selection of persons whom they feel have shown the skill, abilities and qualities necessary for a good arbitrator. These arbitrators are mutually agreed upon by the Labour Management Cooperation Committee and a list of these "acceptable" arbitrators is regularly published. This, of course, is not to say that an employer and its union cannot agree upon any other arbitrator. In practice, however, we think it is fair to say that the panel of arbitrators is widely used and generally has satisfactorily fulfilled its role. At any one time there are a number of persons who apply as "trainees" for the panel. They sit in on a number of arbitrations and write draft awards which are reviewed by a member of the panel of arbitrators. These draft awards are reviewed with emphasis on such items as

style of writing, objectivity, grasp of procedural matters, recognition of the issues and other related matters. The Labour-Management Cooperation Committee then decides, after a number of submissions, whether or not that trainee appears to possess the required attributes. It so, his or her name is placed on the list of approved arbitrators. By and large the system in place appears to have worked reasonably well and its continued use should be encouraged.

Our Labour Relations Act, of course, contains a section which requires every Collective Agreement (to) contain a provision for the final settlement of disputes by arbitration or otherwise. If the Collective Agreement does not contain such a provision, a procedure for arbitration is set out in the Act and is deemed to be included in the Collective Agreement. (See Sections 83 (1), (2), (3), (4). Section 88 of the Act also set out a procedure for arbitration designed especially for the construction industry.

All in all the Committee, having considered the submissions of all parties, is of the opinion that the existing structures are adequate. We have previously recommended, however, that somewhat different arbitration procedures be adopted by the parties to collective agreements in place on mega projects.

Multi-Trade Bargaining

The Committee also explored the possibility of suggesting the introduction of multi-trade bargaining in the construction industry. This topic is not new and there are naturally arguments both for and against the concept. At the present time all negotiations carried on in the Industrial Commercial Sector of the construction industry are done by the NCLRA, which acts under an accreditation order dated back to October, 1976. However, all the building trade unions carry on their negotiations individually and the acceptance or rejection of a contract

with one union is, of course, not binding upon any other union. This type of bargaining has caused problems in the past. The most obvious problems occur when, for whatever reason, negotiations break off and a strike occurs. Because of the nature of the industry, because of the strong union ties which understandably exists, all building trades involved with a particular project will normally refuse to cross picket lines. This has the effect of practically shutting down the entire project, even though the dispute may exist only with one union and a small number of employees.

There are obvious disadvantages inherent in the present system. Since each union bargains on an individual basis, there is a natural reluctance for settlements to occur with other unions, since both sides have to be extremely cautious of their timing. The individual union is leary of being the first to settle with the NCLRA as it has generally been the case that the later settlements have proven to be just a little more lucrative. Also, since historically, negotiations continue some time after the expiry date of the contract, the question of retroactivity is always a critical issue and also, as far as employers are concerned, there is a reticence to settling early prior to their having achieved a settlement with those trades which they consider to be "pattern" or "trend" setters.

Obviously under the present system the potential for disruption of the construction industry is great. Apart from the time factor alone in having to deal with so many building trade unions, there is the inevitable jockeying for positions, in attempting to maintain one's bargaining strength. This leads to delays, uncertainties and in many cases suspicions about the bonafides of the efforts being made to reach an agreement.

While the Committee realizes that there may be differing approaches to the Multi-Trade Bargaining concept, the necessity of putting a system in place in an expeditious manner is, if not crucial, at least desirable. It is no reflection on the

parties to comment that it may be preferable to have government enact the necessary legislation to provide for multi-trade bargaining. The industrial climate is probably rather receptive to the concept, and we anticipate an acceptance of it. The desirability of a stabilization of approach is, we think, evident. In the final analysis the results should be beneficial to all and conducive to a much improved labour management relationship.

Economic Forecasting

The Committee realizes that magnitude of the problems facing the construction industry, and it is aware no one proposal, or even a series of them, will take care of the ills overnight. We feel, however, that efforts must be made to achieve a high degree of cooperation and a better awareness of the problems facing both the unionized employer and the unionized employees. It is futile to try and ignore the inroads that have been made by non-unionized labour. It is, we think, necessary to restore the confidence of the ultimate consumer of labour efforts in the unionized sector. If the unionized sector is to be a vibrant force without our economy, there will have to be changes made and there will have to be a recognition that accommodations must be made to keep unionized employers competitive with non-unionized ones. We do not feel that piece meal approaches such as rollbacks or wage concessions are the answer.

One aspect of the Scandanavian approach to labour relations which could be applied to the North American model was their practice of independent economic forecasting prior to negotiations. Both parties regularly appoint a joint board of economists who are responsible for forecasting economic indicators for the term of the next agreement. That practice has the effect of moderating the expectations of both sides in negotiations. We recommend that management and labour adopt this approach in Newfoundland at least for a trial period. Economic forecasts could be prepared for the parties either by

government or the Economic Council of Newfoundland and Labrador covering such items as Consumer Price Index, Gross Provincial Products and anticipated Construction volume. Those forecasts would be presented jointly to labour and management prior to formulation of their respective bargaining positions.

Alternative Settlement Procedures

Procedures for settlement of interest disputes have been debated ever since the formation of the first union. Strikes and lockouts have been used and abused in all sectors with varying degrees of success and with sometimes disastrous results. Today, strikes are seen by both parties as being archaic and outmoded. The construction industry does not have an enviable reputation because the use of the strike weapon has, to a large extent, been responsible for the situation in which the industry now finds itself.

We recognize that both labour and management are reluctant to give up their right of final determination, but we feel a new approach needs to be made. The Committee recommends, therefore, that the industry commit itself to a five year strike and lockout free period. Disputes should be settled by the arbitration process, either with the traditional three person board or by the final offer selection method.

We are cognizant of the fact that negotiations are currently ongoing and we are reluctant to recommend any interference in that process. However, government should closely monitor the negotiations to ensure their successful completion. Nevertheless, if forced with a disruption, government should seriously consider imposing the strike and lockout ban.

The Committee recognizes that government's imposition, by legislation or otherwise, of a no-strike - no lockout period, may probably be viewed by some as

a rather radical departure from, and an undue interference into, what has been guarded over the years as "free collective bargaining". However, we feel that we must leave no stone unturned in our efforts to ensure that we take full advantage of the possibilities for employment directly associated with the oil industry, as well as any spinoffs. Any prolonged disruption in the industry at this time may have unacceptable consequences on present and future petroleum projects.

THE PRACTICE OF EMPLOYERS IN THE CONSTRUCTION INDUSTRY OVER THE PAST SEVERAL YEARS OF MAINTAINING A UNION AND NON-UNIONIZED COMPANY EMPLOYING THE SAME CLASSIFICATION OF EMPLOYEES AND PERFORMING THE SAME KIND OF WORK

No other subject in our terms of references caused as much discussion or generated as much interest as this one. Obviously, the practice of "double breasting" has caused a divison of opinion to an almost alarming degree between proponents of unionism and those who favour an openshop approach in a free enterprise system. In an attempt to distill the conflicting opinions and analyse the fears and concerns of the various proponents we will refer to extracts from the briefs. The written positions or opinions were verbally ennunciated, of course, at our different hearings.

In its brief, the Construction Association identified one of the key causes of the advent of "double breasting" as being "*a dramatic positive shift in market forces in the Newfoundland economy coupled with the nature of the Newfoundland industry itself.*" The view expressed by the Association that "*survival and jobs depended upon their ability to compete*" was shared by Pinsent Construction Limited in its brief and by Lundrigans Limited when it says on page 4 of its brief that "*it is frankly impossible for unionized companies to compete on anything like an equal footing with non-union companies.*"

The point was made to the committee on a number of occasions that "double breasting" has, in fact, been successful because the unions have made little effort to organize and have certified the increasing number of non-union companies. Union leaders, however, counter by pointing out that by the time a union is aware that a non-unionized company is doing a project, the job is almost over. To try and organize a small project is almost impossible. In addition, it is

the claim of many union officials and members that even though the union maybe successful in organizing an employer, that employer immediately sets up another company and transfers its operations to the new company to avoid its collective bargaining obligations under The Labour Relations Act. In countering this argument employers take the position that such an activity is prohibited by Section 89 of The Labour Relations Act which forbids such transfers.

In its brief the Newfoundland Construction Labour Relations Association reviewed the background of the present situation in the construction industry and points out that for the past four or five years it has been operating at half of its capacity. The Newfoundland Construction Labour Relations Association claimed that the collective agreements negotiated in the industry in 1980 and 1982 caused a 60% labour cost increase over the period April 1980 to April 1985. This, coupled with the severe recession and the lack of large projects forced major employers to bid on minor projects. In the meantime some non-union employers were developing the expertise and financial capabilities to bid on the same projects. The Association claims that prior to 1980 non-union and union companies were somewhat approximating their wage and benefit packages. However, this did not occur after 1980 when non-union companies paid considerably less. Union companies could not compete and either went bankrupt or went out of business.

It was stressed to the Committee on a number of occasions that because of the competition that exists most contracts go to non-union companies. Even if a unionized company is successful in obtaining a contract, the profit margin is cut so fine that the company often loses money on the contract or as best breaks even. Some contractors point to what they claim to be the practical results of double breasting in the cut throat competition of the 80's. In many cases, by being able to operate non-union, it can obtain the work, retain jobs for some if not all of its employees, and meet all of the companies obligations to banks, governments and generally discharge their social obligations to the community at large.

Trade Unions generally regard the practice of "double breasting" as being pernicious and totally detrimental to the collective bargaining process. Some see it as the beginning of the demise of the system as we know it in the construction industry. Unions point out that even though employers are now saying that the high labour costs have resulted from unreasonable wage demands, these rates were freely negotiated between the parties in an accepted collective bargaining milieu. There is not just one party to an agreement - there are two. In addition, unions say employers often brought new undesirable wage packages upon themselves because economic times were good and they were not disposed to resist.

The union representatives that the committee heard from were adamant that the present Section 89 as it now exists in the Labour Relations Act is inadequate to protect the rights of the unions and their members. They claim that it is only in the most blatant cases that the Labour Relations Board is able to find the evidence that one company has indeed *"transferred ... sold or otherwise disposed of its business"* to another. Compounding the situation is the fact that the onus of proof rests in these cases on the unions and our present Act has no common employer provision. Also, in this Province we have no provision similar to that found in the Ontario Labour Relations Act where a respondent to an application made by a union under their equivalent of our Section 89, has to adduce all facts within its knowledge that are material or may be unavailable to the applicant.

There was evidence given to the Committee which indicated that since January of 1985 and up to July of 1985 sixty (60) new "general contracting" companies were incorporated under the Newfoundland Companies Act. These companies represent most of the major operations in the construction trades of the Province including carpentry, ironwork, electrical, plumbing and pipefitting, boilermaking and painting. The Newfoundland Building Trades Council pointed out that in some trades as much as 80% of the work contracted to construction companies is performed by non-union operators.

While unions sometimes agree that the initial cost of operating non-union is less than that of operating with a union, they feel that this is a short sighted consideration. Society generally and governments in particular should not accept this argument as far as the unions are concerned. Construction unions have over the years been especially diligent in building up funds for medical, pension, health and welfare plans. Non-unionized companies are under no obligation to continue these benefits and while they may in some cases pay close to equivalent wage rates, these benefits are not continued. If the present system of double breasting is allowed to continue society will, in the final analysis bear the ultimate burden.

Another significant consideration as far as the unions are concerned is what the absence of trade unions will mean in the workplace. Unions have been the prime movers in occupational health and safety improvements and if the unions influence is no longer there, there will be a reversion to the times when little or no thought was given to these areas. As a consequence of this the unions claim there will be an increase in the number of accidents and injuries with a result and higher demand upon the funds of the Workers Compensation Board. This again will be another cost that will have to be borne.

This Committee has looked at the various suggested alternatives which may be applied under the circumstances pertaining here. We have of course looked at what is in place in other jurisdictions. It may be as well to outline what is found in legislation in effect in various other Provinces.

In Prince Edward Island there is a section in the Labour Relations Act which reads as follows:

> *"Associated businesses, individuals etc., treated by board as one employer*
>
> *(3) Where, in the opinion of the board, associated or related activities or businesses are carried on by or through more than one corporation, individual, firm, syndicate or association, or any combination thereof, under common control or direction, the board may treat the corporations, individuals, firms, syndicates or associations or any combination thereof as constituting one employer for the purposes of this Part."*

In the Alberta Act there is a Section which is similar to our Section 89 but its scope is wider and the powers of the Labour Relations Board are wider and better defined. In addition Section 133 reads:

> *"Spinoffs*
>
> *Sec. 133. On the application of a trade union or on its own motion when, in the opinion of the Board, associated or related activities or businesses, undertakings or other activities are carried on under common control or direction by or through more than one corporation, partnership, person or association or persons, the Board may declare the corporations, partnerships, persons or associations or persons to be one employer for the purposes of this Act."*

In Manitoba there is an Associated Business Provision in the Act which reads as follows:

> *"Associated businesses, etc.*
>
> *Sec. 50. (1) Where an application by any person or in any other proceeding before the board, the board is satisfied that associated or related activities or businesses are carried on, whether or not simultaneously, by or through more than one corporation, individual, firm, syndicate or association, or a combination of them, under common control or direction, the board may treat them as constituting one employer for the purposes of this Act and grant such relief, by way of declaration or otherwise, as it may deem appropriate."*

In the Manitoba Act there is also an obligation on the parties affected by the allegation to adduce all facts within their knowledge which are material to the allegation. It is interesting also to note that where under Section 1 of Section 50 a determination or declaration is made, the Labour Relations Board determines the effective date of its application which may be before or after the date of the application. This seems to indicate that retroactive effect may be given under certain circumstances when the Board makes a common employer determination.

It should be noted that under the Nova Scotia Act there is a provision which allows The Labour Relations Board to apply their Section 29 where it is satisfied that an employer has contracted our work regularly done by his employees to avoid his obligations under the Act. In that case the onus of proving that there has been no contracting out such as to avoid bargaining or other similar obligations rests with the employer.

The Committee has examined at great length the arguments of the proponents of the various viewpoints. We realize the practicalities of the situation especially as far as the construction unions are concerned. At the same time, however, it is important to realize that the free enterprise system should be insofar as possible just that - free. Naturally, there will always be legislative and other restrictions under which the system operates, but legislative "tinkering" as it has been referred to should be avoided if the system is working really well. And, whether one likes it or not, there are some inescapable factswhich emerge from any thoughtful analysis of this whole problem.

It is evident that there has been a sharp increase in the amount of non-union construction since at least 1982. It has been estimated that in Western Canada open shop construction accounts for more than 50% of new construction. In the United States, of course, the figures are even more alarming from the point of view of a trade unionist. Hubert Northrup, the author of OPEN SHOP CONSTRUCTION REVISITED estimates that in 1984 open shop construction amounted for 95% or private residential homes and in the high rise industrial sector 85% of the work was done by open shop companies. The main reason for this trend toward open shop construction appears to be the sometimes huge disparity between the wages paid to union as opposed to non-union employees. A recent study done by Statistics Canada indicates that the average unionized Canadian worker earns 30% more than the average non-union worker compared with a gap of 17.5% three years ago. (Globe and Mail, October 23, 1985). It should be noted, however, that this study covers all sectors of the private industry and the public sector as well. Consequently, it is difficult to isolate the real differences between the wages paid to construction workers working on union and non-union projects. It is, however, evident that these differences are allowing contractors to bid more non-union jobs and in most cases obtain them. The wage factor is not, of course, the only factor, but it is an extremely important one. As the National Joint Committee of the

Canadian Construction Committee and the Executive Board of the Building and Construction Trades Department pointed out in its recent report *"it may well be that in parts of Canada clients now look first to non-union forces when considering the purchase of our product. In such cases the task is even more difficult than just convincing them to continue to buy a union built product."*

In the past few years in Newfoundland unionized contractors have attempted, and in some cases have been successful, in obtaining wage concession. This has not always been the case, however, and for various reasons the advent of "double breasting" occurred. Contractors continue to insist that they must have a competitive edge and that lower wage increases will enable them to achieve that. The argument consistently advanced before this Committee was that there is no way in which the union contractor can compete with the non-union contractor, and that there should be no more legislative interference with the construction industry which could in any way restrict its competitive ability. But obviously trade unions too have their story to tell, and they have made, and will continue to make, significant contributions in the construction industry, both in the quality of the work produced and in the benefits they have been able to obtain for their members. We realize that changes are necessary and refinements required.

The construction unions in this Province appear to be, in our opinion, probably somewhat unduly alarmed at the perceived inability of Section 89 of our Labour Relations Act to effectively deal with the subject of "double breasting". However, as was pointed out in the Newfoundland Construction Labour Relations Association brief, the recent decision of the Labour Relations Board (Pinsent Construction Company and N & L Limited and Carpenters Union) dealt directly with this problem and found that in that case there had indeed been a *"transfer . . . or otherwise disposal"* and that the successor company was bound by the terms of the Collective Agreement. If other unionized

contractors adopt a similar approach, it is reasonable to assume that the Pinsent case will be at least persuasive in future interpretations of that Section. The Section is, after all, designed to cover situations where employers transfer or dispose of from one entity to another and in those cases *"unless the Board otherwise directs"* the Collective Agreement remains in effect. Also, of course, it is obviously impossible to "outlaw" as it were, the creation of new construction companies. At this time, we do not feel it is necessary to have the "common employer" designation added to our Act as we feel that this may only exacerbate the already existing problems. As Niland and Turner observed in describing the need for reform of the Australian I. R. System (Contract Consensus or Chaos - Mergers and Industrial Relations Reform):

> *"a fundamental law of physics - that each force has an equal and opposite force - might usefully be applied to the process of industrial relations reform. But even this would understate the force of resistance, for to borrow from Machiavelli, those who oppose usually speak louder and longer than those who propose."*

And, we must not forget that even if the common employer definition were included in our Act, there is still a discretion in the Board which may be exercised (and indeed has been exercised frequently in other jurisdictions) - to negate or defeat the sought after declaration. We feel that the situation can be adequately addressed by adding to our present Section 89, a Sub-section which could read somewhat along these lines:

> *"Where, on the application, a trade union alleges that the sale of a business has occurred, the respondents to the application shall adduce at the hearing all facts within their knowledge that are material to the allegation."*

We feel, also, that under the present Act the burden of proof which is placed upon the union in asserting its case is too onerous. We feel that the onus should be upon the employer in any application made under the Act by a union and that The Labour Relations Act should be amended to reverse the onus probably somewhat along these lines:

> *"The onus of proving that there has been no contracting out or agreement to contract out work regularly done by employers to avoid obligations under this act shall be upon the employer."*

Industrial Standards

Coupled with the introduction of these amendments to The Labour Relations Act, the Committee feels there should be an updating of the Industrial Standards Act to provide for a minimum rate of wage to be paid to all tradesmen engaged in the Commercial and Industrial Sector of the construction industry. The wages should be those negotiated by the applicable union and employer's organization.

A precise definition of the sector is probably impractical and may indeed be unworkable, but we feel that the present Labour Relations Act gives some guidance in that respect. In addition, we feel that it might probably be advisable to have the Act amended to add Sections somewhat along these lines:

> *"The Board shall, upon the application of a trade union a council of trade unions, or an employer or employers organization, determine any question that arises as to whether work performed or to be performed by employees is within the industrial and commercial sector of the construction industry."*

It is important to note that Industrial Standards Rates should have no effect nor be designed to cover any other sector. while we realize that it may be difficult to avoid the osmosis-like effect of the introduction of a minimum wage in the Industrial and Commercial Sector, nevertheless, we caution against its application, inadvertent or otherwise, to other sectors as this we feel could have detrimental effects.

This Committee is firmly of the opinion that should Government decide to update the Industrial Standards Act, it could have a positive effect on labour management reactions in the Province. Strict regulations for the policing of the Act would, of course, have to be introduced and be rigidly enforced. Such an Act would, we feel, place all contractors on an equal footing certainly as far as wages are concerned, and should enable each to compete with the other. The argument now is that the competition is unfair, and that unionized employers cannot compete with non-union employers. This should eliminate that fear and make competition even more keen. Certainly one great variable in the bidding process will now be the same for all and contractors, both union and non-union, will have to use the expertise they have developed over the years to skillfully and effectively bid on all projects in their particular sector. In addition, there would appear to be no overt necessity for companies to resort to "double breasting" and if it were done, this would, we feel, create a strong presumption that it was being done to avoid collective bargaining obligations.

We make these observations and findings because we, as a committee, feel that the implementation of these measures should go a long way towards eradicating many of the problems now found in the construction industry. Realizing, however, the sensitivity of this issue and the ramifications inherent in these measures not being effective, we feel that government must be vigilant in its policing of these measures. Should it be found that this is not efficacious in achieving the desired result, then, we recommend that government either, on its own initiative or through a committee, once again address the question of "double breasting" in the construction industry.

SUMMARY OF RECOMMENDATIONS

Methods of Settling Jurisdictional Disputes Between Unions Operating on Large Construction Projects

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The Committee recommends that:

1. Jurisdictional disputes in Newfoundland should be submitted to the Labour Relations Board for final adjudication. We suggest that the Minister give the Building Trades Council and unionized employers 60 days to jointly nominate a jurisdictional umpire. In the event they are unable to agree, the Minister should appoint a suitable person. We further recommend that the jurisdictional umpire enjoy the status equivalent to that of a Chairman or Vice-Chairman of The Labour Relations Board.

   The jurisdictional umpire should be given the power to adjudicate any jurisdicational disputes after hearing submissions from the unions and/or the employers involved. His decision shall take into consideration, among other things, existing agreements and decisions of record and past and area practice.

2. Employers should make more use of job mark-ups and pre-job conferences prior to the commencement of major jobs. Work assignments should be made as far in advance as possible so that any disputes may be resolved, either with the employer or the umpire prior to the beginning of the work.

3. The parties should make more use of composite crews on work where there may be jurisdictional crossover. Work crews could be appointed as a mix of tradesmen having regard to the traditional jurisdictional breakdown but in the actual performance of the work they would work as a team without strict adherence to jurisdictional lines.

Collective Barqaining in the Construction Industry with Particular Reference to Facilities Related to the Petroleum Industry

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The Committee recommends that:

1. The establishment of a comprehensive trainina strategy to co-ordinate and expedite existing programs of trainina so as to maximize the accessibility of skills. If necessary Government, with the co-operation of industry, should institute additional training programs as required.

2. The Construction of the Gravity Base system should be declared a Special Project under Section 70 of The Labour Relations Act with Government ensuring that amendments are made to Sections 61, 69 and 70 of the Act to allow for the Newfoundland Construction Labour Relations Association, together with the project contractors, to be responsible for the negotiations and administration of the Agreement.

3. The employees involved in the project be represented by a Bargaining Council of the Building Trade Unions in Newfoundland with each union and its International being represented on the Council.

4. The Project Agreement covers all construction involved in the Base, Topside Assembly, Mating and Offshore Hookup and Commissioning as well as all ancillary work, services and catering related thereto.

5. The composite crew concept be expanded to allow for less strict adherence to craft lines and greater flexibility in assignment and performance of work but with due regard to the allocation of union dues and funds to the appropriate union.

6. An individual be appointed by the Minister of Labour and charged with specific responsiblity to oversee labour management relations and to establish a liaison between Government, Employers, Trade Unions and the Developer.

7. The parties to the collective agreement adopt an arbitration procedure as set out on Page 34 of this report.

The Adequacy of Accreditation and Speedy Arbitration Provisions in The Labour Relations Act

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The Committee recommends that:

1. No change be made in the current speedy arbitration provisions as set out in the Act.

2. Government introduce legislation requiring a system of multi-Trade Bargaining in the Commercial and Industrial sector of the Construction Industry.

3. Economic forecasts be prepared for the parties either by Government or the Economic Council of Newfoundland and Labrador using such items as Consumers Price Index, Gross Provincial Product and anticipated Construction volume. These forecasts should be presented jointly to labour and management prior to formulation of their respective bargaining positions.

4. The industry commit itself to a five year strike and lockout free period with interest disputes being settled by the arbitration process.

The Practice of Employers in the Construction Industry Over the Past Several Years of Maintaining a Union and Non-unionized Company Employing the Same Classification of Employees and Performing the Same Kind of Work

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The Committee recommends that:

1. The Labour Relations Act be amended to require the respondents to an application pursuant to Section 89 of the Act, to adduce all facts material to the allegation that a sale or transfer of a business has occurred.

2. The Labour Relations Act be amended to place an onus on the respondent to prove that there has not been a sale or transfer within the meaning of Section 89 of the Act.

3. The Government update the Industrial Standards Act to provide for a minimum rate of wages for all tradesmen in the Commercial and Industrial sector of the Construction Industry. The wages should be those negotiated by the applicable union and employer's organization.

4. The Labour Relations Act be amended to give The Labour Relations Board specific power to determine any question that may arise relating to the Commercial and Industrial Sector of the Construction Industry.

5. Should it be found that the foregoing recommendations do not deal effectively with the problem of "double-breasting" in the construction industry then Government should again address the question.

The Committee acknowledges the contributions made by all of the groups and individuals who presented briefs. Also, the various discussions which were informally held with a number of companies, unions and individuals proved to be of invaluable assistance. We sincerely trust that our recommendations will be favourably considered.

Respectfully Submitted,

Gordon G. Easton, Q.C.
Chairman

W. A. Alcock, Member

G. Gillingham, Member

APPENDIX 'A'

SUMMARY OF NORWAY/SWEDEN VISIT
26 AUGUST, 1985 to 5 SEPTEMBER, 1985

INTRODUCTION

This is a summary report on the information gathered during meetings with Companies, Trade Unions, and Government representatives in Norway and from Company personnel in Gothenburg, Sweden between 26 August 1985 and 5 September 1985. The main purpose of the visit was to examine the labour relations systems in place in these countries particularly as it relates to the construction of offshore production platforms.

The Construction Industry Advisory Committee (CIAC), together with Government, Construction Industry and Trade Union representatives held extensive meetings in Norway and Sweden and visited a number of sites in both countries. The sites visited are listed in Schedule 'A'.

The Report will deal with The Labour relations climate related to offshore construction in both Norway and Sweden.

CONCRETE PRODUCTION PLATFORMS

Although the primary focus of CIAC was to examine labour relations, it is necessary to provide a brief description of the production platforms. The platform is constructed in two distinct sections:

A) The Gravity Base Structure (GBS); and

B) The Topsides.

A) THE GRAVITY BASE STRUCTURE

The construction of the Gravity Base requires a large drydock adjacent to a deepwater mooring site. The drydock is excavated on shore and a dyke constructed to prevent flooding with sea water. A steel base is put in place, the size of which will depend on the nature of the ocean floor where the structure will be placed.

On top of the base the rebar is placed and concrete poured to form the lower sections of the concrete base. A slipforming process is used to form the base for the lower domes. Once this process is complete the drydock is flooded and the structure is towed to the deep water mooring site. At this site the main slipforming is done to form the storage cells and towers. The mechanical outfitting is completed in the base and towers and the structure is made ready for mating with the Topsides.

During this construction phase, employment varies greatly with the largest number of employees employed during the slipforming operation. The employees working on this part of the construction are generally less skilled then those required for the mechanical outfitting of the structure.

The delegation visited the Norwegian Contractors construction site in Stavenger. The size of the structure is reflected in the following figures: the Gullfaks A structure has 24 cells with a diameter of 24.7 meters each. The structure is 159.6 meters tall and more than 130,000 m^3 of concrete was used in its construction. The operational weight of the deck will be approximately 55,000 tons. These figures will approximate the size of the structure proposed for Hibernia. Schedule 'B' sets out the phases of construction from the drydock to final readiness for tow out to the site.

B) THE TOPSIDES

The Topsides are made up of the production and processing equipment; living quarters; power units and other equipment necessary in the production and processing of oil.

The Topsides are generally modularized with modules weighing from 200 tonnes to 2500 tonnes. The modules can be constructed at yards practically anywhere in the world. Once the modules are completed, the individual modules are positioned on the steel deck trusses to form the Topsides.

The delegation visited the Statoil Construction site at Aker Stord. At this site the Topsides for the Gullfaks A platform was being constructed which included the construction of the steel deck and positioning of the completed modules. Schedule 'C' provides an overview of the size of the structure.

It was obvious that the construction of the GBS and the Topsides and the mating required the utmost co-operation between the trade unions and the management of the companies. Timing appeared to be very critical. Any disruption in construction is critical to the cost of the structure and the reputation of the contractor and his ability to deliver on time. It is interesting to note that all units constructed by Norwegian Contractors were delivered on

time and within budget. This enviable record is due, to a great extent, to the attitude of both the employees and management. The remaining part of the report will deal with the labour relations structures under which the industry in Norway operates. Schedule 'D' provides some statistical information on the size of the structure overall.

ORGANIZATION OF TRADE UNIONS

The trade union movement in Norway is highly centralized. Most of the trade unions are members of the Norwegian Federation of Trade Unions (LO). This organization is closely affiliated with the Norwegian Labour party. It is committed to a program of securing a greater influence for workers in the work place. The constitution of the LO contains the following:

> *"The aims of the Norwegian Federation of Trade Unions are, inter alia: 3. to work for the introduction of economic democracy by inter alia:*
>
> *(a) transferring to public ownership forms, undertakings, land and nature reserves where this can contribute to the improvement of wage earners' interests and general well-being.*
>
> *(b) securing for employees a satisfactory influence in industry and trade."*

Although there are a number of trade union organizations outside the LO, there appears to be close co-operation between the LO and these other organizations.

Collective bargaining through the LO is conducted in one of three ways:

1. Separate negotiations for each wage group. This could amount to some 200 agreements.

2. Joint bargaining; and

3. A combination of the two.

Before negotiations are commenced with the Norwegian Employers' Confederation (N.A.F.) a decision is made within the organization as to how negotiations are to be conducted. As a general rule negotiations are conducted on a national level. A proposed settlement is voted on by the members and a majority will carry although there may be a majority against the proposal in any one national union. The LO represents some 35 national unions with 4,000 branches in locals and 750,000 members. In addition to its central bargaining role, the LO also provides a range of other services through its various departments. An organization chart is attached as Schedule 'E'.

ORGANIZATION OF EMPLOYERS

Employers in Norway are, for the most part, members of the Norwegian Employers' Confederation (N.A.F.). This organization was formed shortly after the LO. The objects of the Association are:

(a) To maintain good and lasting relations between employers and employees and to endeavour to avoid and solve labour disputes.

(b) To advise the members of the Confederation concerning wages and working conditions and assist them during conflicts with the employees and their organizations.

(c) To promote co-operation between Norwegian employees and assist in establishing associations among them.

(d) To deal with social questions which are of significance to the undertakings, and with other matters of mutual interest.

The members of N.A.F. are grouped trade-wise into associations of industrial groups or national associations. These groups basically correspond to the trade unions of LO.

The N.A.F. offers its members professional assistance in carrying out the agreements; interpreting agreements and settling disputes; education and training of managers.

The N.A.F. has about 10,200 members who employ a total of 415,000 people.

COLLECTIVE BARGAINING STRUCTURE

Collective bargaining in Norway is conducted in three phases:

A) The Basic Agreement;

B) National negotiation through National Unions and specific trade Associations;

C) Local plant negotiations between individual employers and trade unions.

A) THE BASIC AGREEMENT

This agreement is negotiated between the LO and the N.A.F. and it is incorporated into every Collective agreement. The Basic Agreement is supplemented by agreements reached through further negotiations at the National level and also at the local plant level.

The Basic Agreement is divided into three parts.

Part A contains details of the right to organize, the right and obligation to negotiate, regulations concerning the election of shop stewards, the right and obligation of management and shop stewards, etc. Part B is the "Co-operation Agreement". This section contains a number of regulations about co-operation in economic life. Part C provides general regulations for solving disputed interpretations of collective agreements.

In Part B specific provision is made for co-operation between Management and Labour. It provides for the establishment of work councils. Those councils have equal representation of Management and employees and included in the employee representatives is the Chairman and Vice-Chairman of the Shop

Steward Committee. The Councils have a wide ranging mandate. The main task of the works council is, through co-operation, to work for the most efficient production possible. In carrying out this function they have access to informative and confidential reports from Management on the financial status of the organization. Written financial statements are reviewed, and if necessary, company accounts are examined.

Throughout the Basic Agreement the emphasis appears to be the need and desirability for co-operation in the work place. This has no doubt evolved through many years, since the first Basic Agreement was signed in 1935. An excerpt from the agreement will illustrate the point:

> *"LO and N.A.F. agree on the necessity of good and trusting relationship between the undertaking and the employees as a whole and for the individual it is of the greatest importance that the feeling of unity between the undertaking and the employee is strong and alive. This is also a necessary prerequisite for efficient production.*
>
> *Through co-operation, the employees with their experience and insight shall take part in increasing efficiency, reducing production costs, improving the competitiveness of the undertaking, facilitating necessary adjustments as well as shaping a more satisfactory place of work and a working organization which is both efficient and meets the employees' need for self-development. In this way they also take part in creating the economic preconditions for the continued development of the undertaking and for secure and*

good working conditions for the benefit of the undertaking as well as for the employees.

The formulation of objectives in this section contains provisions which are binding with regard to the cooperation, and shall also serve as a guide for the parties of the individual undertaking when deciding how to organize the cooperation. The development of forms of co-determination and a better working environment in the undertaking will presuppose an extensive decentralization and delegation of decision making authority within the organization of the undertaking. In the actual work on this, it is important to adapt the forms of cooperation and participation in the decision making process to the nature and size of the undertaking, etc. It is assumed that those participating in the decision making process at the various levels are responsible, not only to the owners or their co-workers, but to the undertaking as a whole.

Learning, development, information and consultation will increase the individual's possibilities for participating in the decision making process and create a basis for a meaningful work situation. The organizations therefore presume that all employees in the undertaking shall consider it an essential task to make proposals about what can be done within the various fields of the undertaking to allow for this development.

Experience shows that it is of little use to change jobs or positions in an isolated manner or to try to change the forms of organization and management within an individual group or department without any connection with the rest of the undertaking. Such changes need the support and active participation of the rest of the organization and may lead to major or minor changes in other parts of the organization as well. Representatives of the various parts of the organization must therefore be included in such development work.

The parties emphasize that it is the duty of the management of the undertaking, the employees and their shop stewards to take the initiative and actively support and participate in such development work. The organization for their part will jointly and separately support this work through different measures."

No doubt some of the matters covered in the Basic Agreement are similar to the provisions in Collective Agreements in this Province relating to technological change, etc. There is, however, a much more meaningful participation by the employees in the day-to-day running of the organization. The Basic Agreement is also reinforced through government legislation providing for the appointment of employee representatives to the Board of Directors of certain companies.

The Basic Agreement places a great deal of emphasis on the role of the shop steward. The LO indicates that it considers the shop steward as its spokesman. This would appear to give the steward a high profile when dealing with union

matters. The shop stewards are generally full-time union workers and are paid by the Company. The company generally provides office space and clerical assistance.

The Basic Agreement is valid for a period of four years. Collective agreements are generally negotiated for two year periods.

B) NATIONAL NEGOTIATIONS

Negotiations for Collective Agreements that will provide specific working conditions and wages for particular trades is done through the National Employer Trade Associations and the National Craft Unions. The level of negotiations sets conditions generally for a particular section of the economy, e.g. construction.

This bargaining will add to the Basic Agreement and will apply to all members of the union and all employers who are members of the National organizations. As was stated earlier nearly all employees are members of the National Organization; likewise, trade unions are members of the National Organization

C) LOCAL PLANT NEGOTIATIONS

Negotiations at this level produces the wage levels to be paid to the employees. The wages are determined between the local union and the local plant management. This level obviously depends on the bargaining positions of the parties.

PROCEDURES FOR SOLVING CONFLICTS

The following flow charts outline the procedures for settling both interest disputes and rights disputes:

INTEREST DISPUTES

1. Negotiation. Notice of Termination of the Collective Agreements. Exchange of demands. Negotiations are started.

The negotiations are unsuccessful. Collective notice of termination. The State Conciliator is notified.

The negotiations are successful. Proposed new agreement adopted through balloting, and a new collective agreement is established.

2. Mediation.

Temporary restriction on work stoppage. The State Conciliator summons the parties.

The mediation is broken as resultless or the mediation proposal is rejected through balloting. Work stoppage may take place four (4) days after the mediation proposal has been rejected.

The mediation proposal is put forward and is adopted through balloting. A new collective agreement exists.

The Parliament may pass a specific act providing that the dispute shall be settled by forced wage board/ arbitration.

Voluntary wage board/arbitration.

RIGHTS DISPUTES

1. Local negotiations.

No agreement.
Minutes are written and the case sent to the organizations.

Agreement is reached.
Minutes are written and the interested parties are informed.

2. Negotiations between the union and the employers' association.

Disagreement Minutes.
The case goes to the Labour Court.

Agreement. Minutes.
The case settled.

3. The Labour Court
Summons, answer from the opponent.
Thereupon the case is to be argued before the Court.

The decision of the Labour Court. It cannot be appealed.
The case dealt with and finished.

Conciliation reached by discussion in the Labour Court.

NATIONAL ADVISORY COUNCIL

To complement the national bargaining structure there is in place in Norway a committee of economists who compile a pre-bargaining report setting out general guidelines on what the parties to collective bargaining should expect as a general wage increase. This committee was not seen by the Assistant State Mediator as being particularly helpful in settling collective agreements. He viewed the report as being too general to be of great assistance.

OBSERVATIONS AND CONCLUSIONS

It would be unrealistic to expect that the Norwegian system of collective bargaining could be implemented in totality in this Province. The system is part of a socialist society and has evolved over many years. There are, however, aspects of the system that may have some application to our situation particularly as it relates to the construction of GBS and related structures.

It was very obvious that there was very close cooperation between the trade union and company at the work-site. The delegation visited the construction site of the GBS and Topsides. The record of labour peace is enviable in construction. There has not been a strike in over thirty years. This is due in no small way to the cooperative attitude of the parties. The employees appear to take more of a personal interest in what happens to the company. The attitude seems to be *'what is good for the company is good for me'*. This attitude, no doubt, has been developed over the years and is directly related to the system in which they operate. It appears, however, to give the companies an edge in completing these huge projects on time and within budget.

Another major factor in the smooth running of the construction sites is the fact that all trades belong to the same union. This has made it possible for greater cooperation in dealing with trade jurisdiction. There appears to be a willingness on the part of the tradesmen to perform related work when required. Cross trading is far more prevalent in Norway than in this Province. That is, no doubt, due in part to the fact that there is only one trade union representing all trades. The potential for conflict is certainly reduced. This compares to approximately fourteen (14) craft unions in this Province.

The magnitude of these projects; the cost of construction; the importance of timely delivery and the competitiveness of the industry demands that adjustments be made in both the management attitude towards the workers and the trade unions longstanding tradition of craft jurisdiction. The Norway model demonstrates that an attitude of cooperation benefits all the players in the game. Norwegian contractors have been awarded contracts for twelve (12) concrete platforms. All have been delivered on time. This record is no doubt due largely to the attitudes of both trade unions and management. Although employees are not required to join a union, nearly all are members of a union. There is no formal process for recognition of trade unions. The attitude, of both the management and unions appears to reflect generally the respect they have for each other and the requirement to work together. This is not to say that there are no problems within the system. However, the working relationship, cultivated over many years, makes it much easier to resolve their differences.

LABOR RELATIONS (SWEDEN)

The Swedish model is very similar to the Norwegian model. Both the trade union movement and Employer organizations are highly centralized. Collective Bargaining is carried out on three levels:

1. Through National Trade Union Organizations and employer federations

2. Through the employer Trade Association and the equivalent trade union and;

3. The local level.

In the case of G.V.A. the Swedish Metal Workers Union and the Shipyard Employers Association conducted the bargaining.

The attitude of cooperation is again prevalent in the relationship between the parties. The workers appear to adjust to the need for change so as the company can remain competitive even though it could mean a significant reduction in jobs. There is less resistance to performing work in more than one trade.

The management's attitude toward the workers is very similar to the Norway situation. Again the shop stewards are full-time union workers paid by the company. Consultation and cooperation again are key elements in the success of the working relationship.

SCHEDULE 'A'

SITES VISITED

1. Norwegian Contractor, Stavenger, site of G.B.S. Construction.

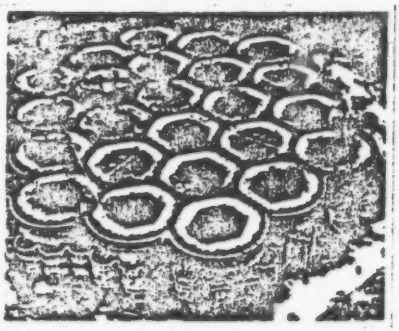
2. Moss Rosenburg, Stavenger, site of Module Construction and assembly of Topsides.

3. Statoil, Aker Stord, site of Topside Construction and assembly of Modules.

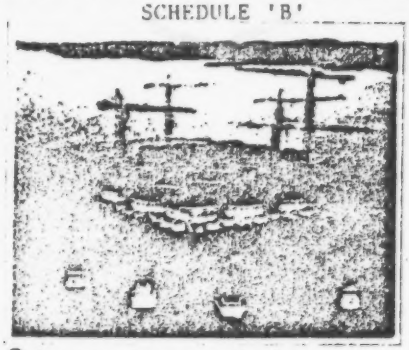
4. G.V.A. Gothenburg, Sweden, site of floating production platform construction.

THIS IS HOW WE BUILD A CONDEEP PLATFORM

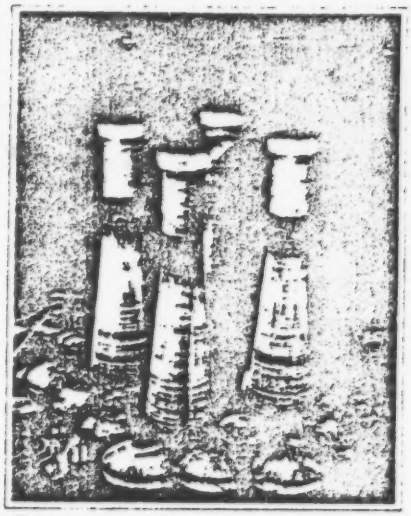
SCHEDULE 'B'



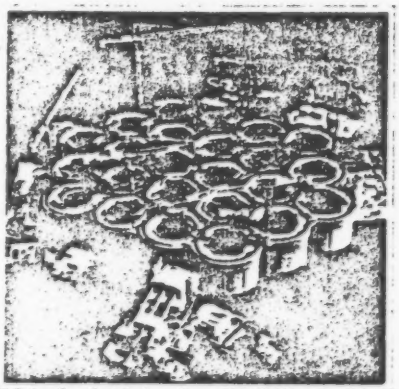
1. Construction of concrete base section in 10 m deep dry dock.



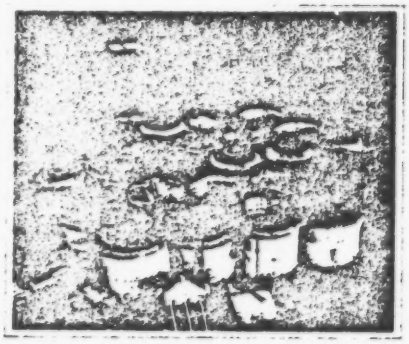
2. Tow-out of base section from dock to deepwater mooring site.



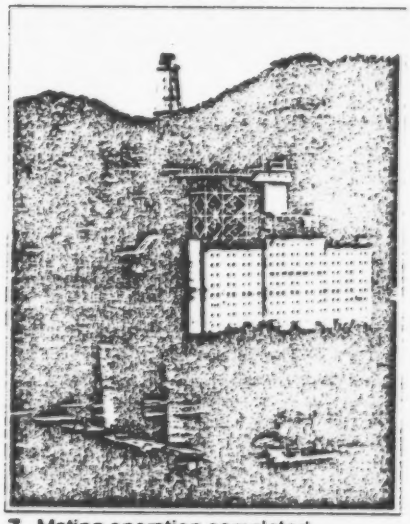
5. Completion of concrete structure.



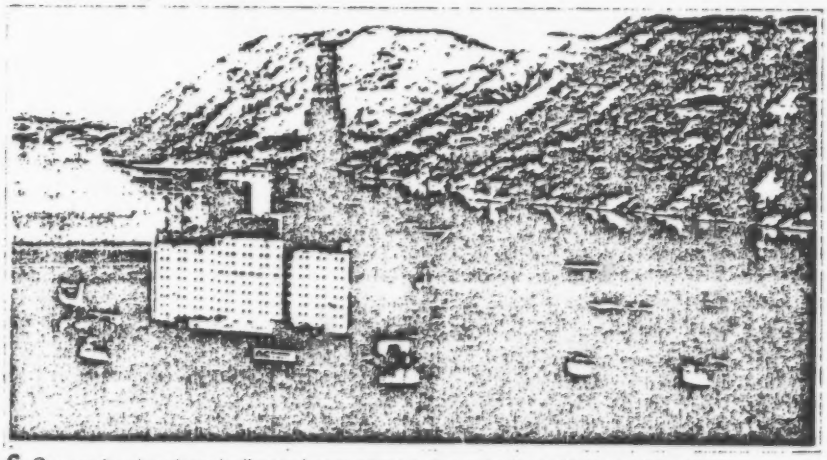
3. Slipforming of cell walls.



4. Sealing of cells by construction of upper domes.

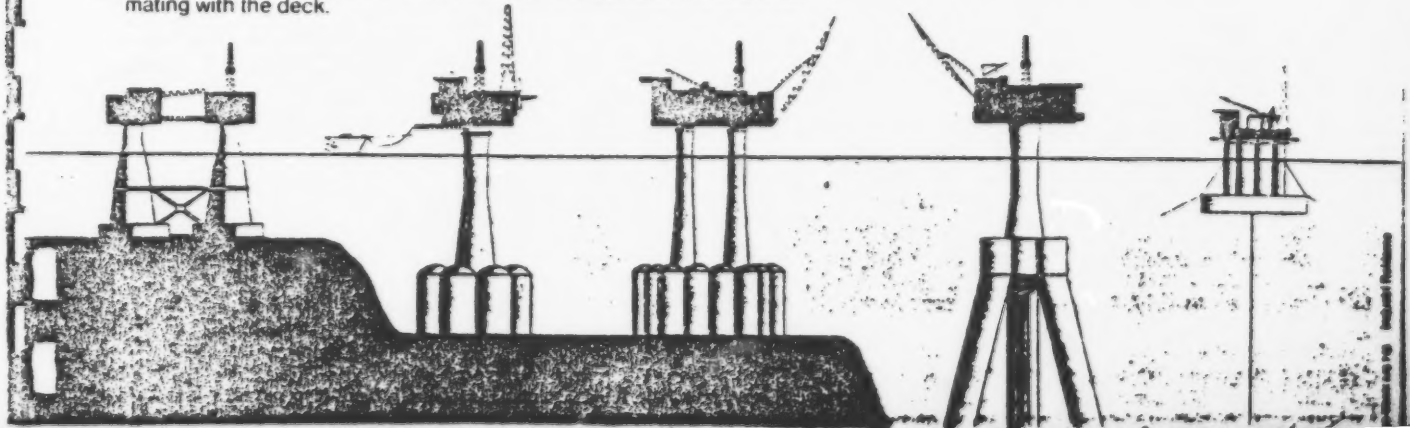


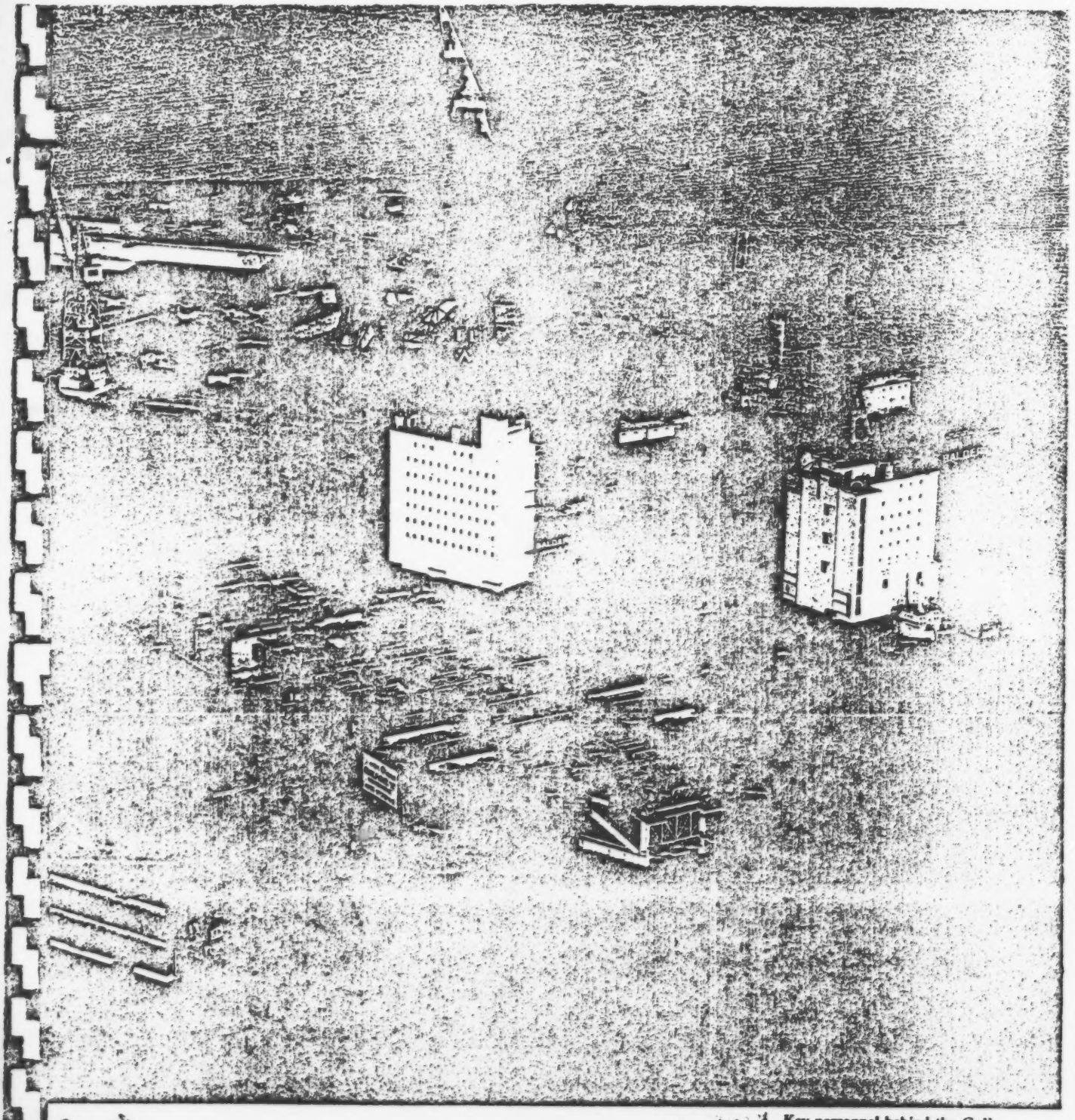
7. Mating operation completed. The deballasted concrete structure has lifted the deck off the barges.

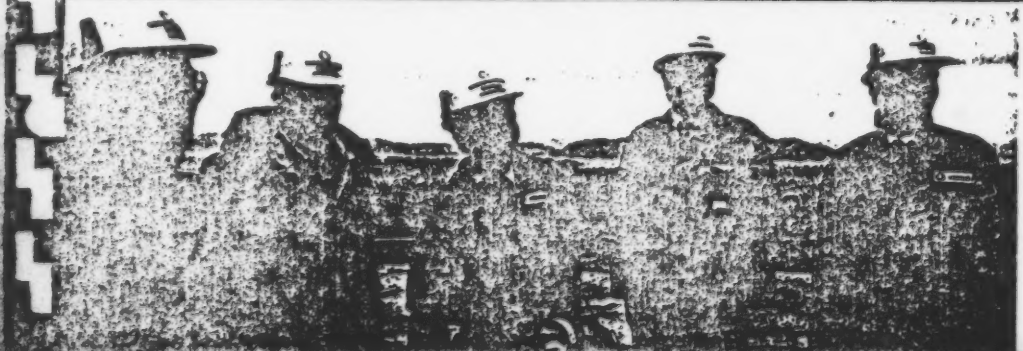


6. Concrete structure ballasted into semi-submersed position to allow for mating with the deck.

8. Our front page illustration shows the tow-out of the completed platform, Statfjord C, on its way to installation on the field in the North Sea.







Key personnel behind the Gullfaks A platform on a guided tour after completion of the lifting operation. From left to right: Executive Vice President Jon M. Huslid, Statoil, Project Manager Thor Nordgård, Statoil, Site Manager Egil Gjesteland, Statoil, Managing Director Knut Kristiansen, Aker Stord, and Senior Vice President Trond Valde, Statoil.

SCHEDULE 'D'

TECHNICAL DATA - GULLFAKS A PLATFORM

Height from sea bed to helicopter deck: 215 meters
Total weight including ballast: 640,000 metric tons.

CONCRETE GRAVITY BASE STRUCTURE

Number of cells	24
Diameter of cells	23 metres
Height of cells	70 metres
Number of Shafts	4 (one dry and three water filled)
Height of leg above cells	92 metres
Construction period	41 months (3 million man hours)
Concrete used	126,000 m^3 (including light concrete)
Cement used	45,000 tons
Reinforced steel used	29,000 tons
Total weight of concrete and reinforcement	305,000 metric tons
Crude oil storage capacity	about 300,000 cubic metres of oil, or 8 days' production

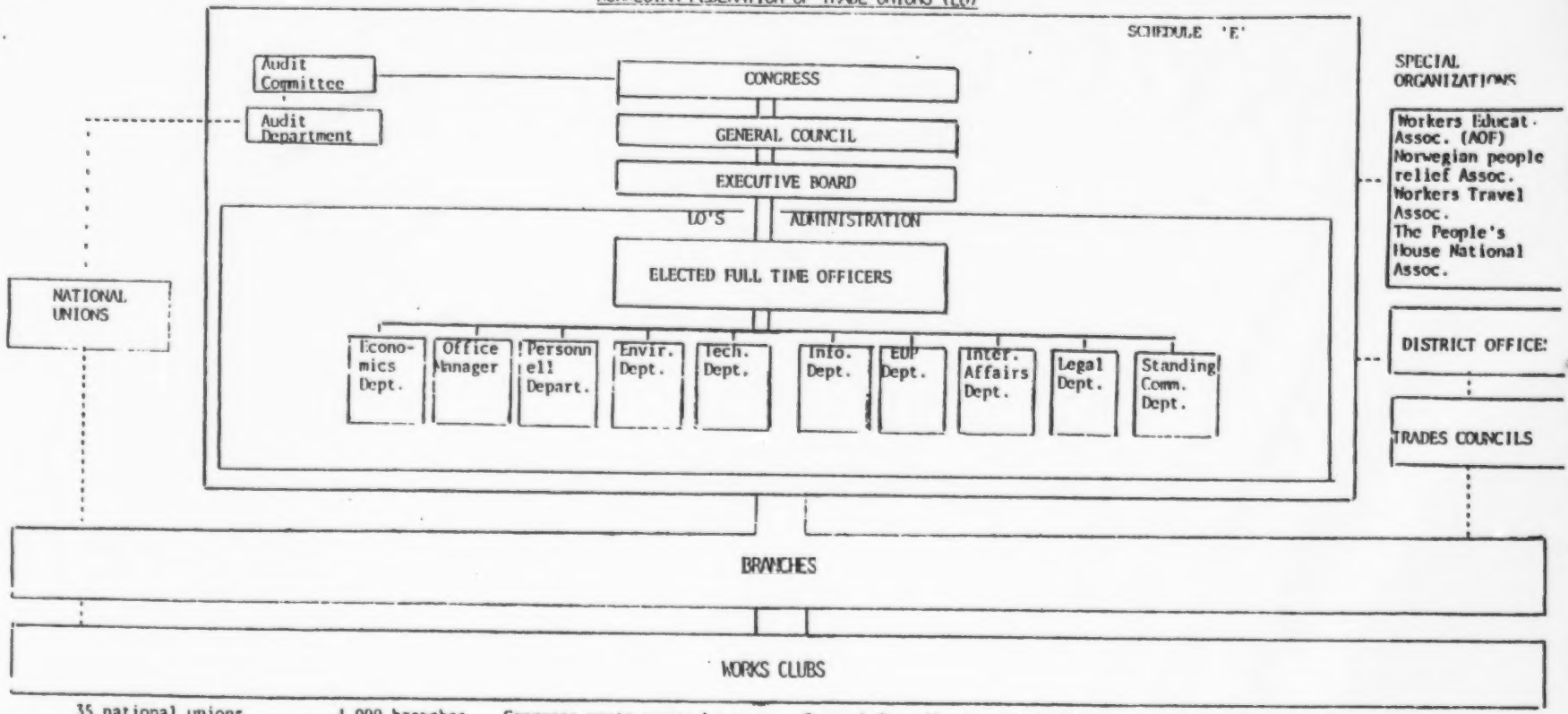
PLATFORM DECK

The topside rests on a steel deck frame. Its T-shape makes it different from other Condeep decks. The processing equipment and control room are placed between the drilling modules and the quarters area.

SCHEDULE 'D' (continued)

Length	1.42 metres
Width	40 metres (at the top of the T: 60 metres)
Floor space	5,690 square metres
Total floor space	20,000 square metres
Weight at tow out	about 40,000 tons
Total height to top of helicopter deck	50 metres
Number of Modules	17 metres

NORWEGIAN FEDERATION OF TRADE UNIONS (LO)



35 national unions
20,000 works clubs

. 4,000 branches
. 750,000 members

Congress meets every 4 years, comprises 300 representatives over the whole country and the 15 Executive Board members.

General Council meets at least once a year when there is no Congress and has 134 representatives.

The Executive Board is LO's executive body, with 15 members elected by Congress.

Congress elects 8 full time officers to carry out the day-to-day management of LO - President, Vice-President, General Treasurer and 5 secretaries.

APPENDIX '8'

PRELIMINARY CAPITAL COSTS

Preliminary Capital Costs*
(In Millions of 1984 Canadian Dollars)

Floating Production System	
Item	Cost
Project Management and Services	280
Semisubmersible Production Facilities	670
Subsea Structures and Equipment	205
Floating Storage Vessel	470
Tankers (2)	220
Ice Clearing Vessel	50
Flowlines and Tie-ins	265
Development Drilling	710
Commissioning and Start-up	20
Subtotal Capital Cost for Phase 1 (a)	2890
Phase 2 Production Facilities (b)	2585
Total Estimated Capital Cost	5475

Fixed Production System	
Item	Cost
Project Management and Services	575
GBS Production Platform	2010
Subsea Structures and Equipment	120
Articulated Loading Platforms	100
Tankers (4)	440
Ice Clearing Vessel	50
Flowlines and Tie-ins	285
Development Drilling	1145
Commissioning and Start-up	45
Total Estimated Capital Cost (a)	4770

Note: (*) These preliminary cost estimates are based on conceptual designs only and may change substantially once detailed engineering is completed.

(a) Total includes contingency taxes and duties, but does not include interest during construction.

(b) The additional Phase 2 production facilities would be the same as those itemized for Phase 1 except that additional floating storage and ice clearing vessels would not be required.

(c) Platform costs include site preparation for the CGS, deck and topsides, mating and installation.

Preliminary Annual Operating Costs*
(In Millions of 1984 Canadian Dollars)

Floating Production System Item	Annual Cost
Platform Operations	20
Storage Vessel and Tanker Operations	85
Inspection Maintenance and Repair	30
Well Workovers	105
Marine and Air Support	50
Engineering and Administration	50
Subtotal Annual Operating Costs for Phase 1	340
Additional Operating Costs for Phase 2	205
Total Estimated Annual Operating Cost	545

Fixed Production System Item	Annual Cost
Platform Operations	40
Tanker Operations	120
Inspection, Maintenance and Repair	35
Well Workovers	150
Marine and Air Support	40
Engineering and Administration	80
Total Estimated Annual Operating Cost for Phase 2	465

Note: (*) These preliminary cost estimates are based on conceptual designs only, and may change substantially once detailed engineering is completed. Costs given are for a typical year during peak production.

PROJECTED HIBERNIA LABOUR DEMAND (1986 - 2006)
DURING DEVELOPMENT AND PRODUCTION
(Person - Years)
Development

Floating Production System	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999-2003	Sub-Total	Pro-duction 1991-2006	Total
Global	240	1365	3545	3480	2375	545	445	360	1445	2705	2570	2110	1035	1840	24060	23045	47105
Canada	170	1265	2545	1865	1415	535	445	320	1365	2620	1960	1200	535	1840	18080	23045	41125
	(71%)	(93%)	(72%)	(54%)	(60%)	(98%)	(100%)	(89%)	(94%)	(97%)	(70%)	(57%)	(52%)	(100%)	(75%)	(100%)	(87%)
Newfoundland	55	240	490	975	1405	535	445	275	465	615	1075	1190	525	1840	10130	23045	33175
	(23%)	(18%)	(14%)	(28%)	(59%)	(98%)	(100%)	(76%)	(32%)	(23%)	(42%)	(56%)	(51%)	(100%)	(42%)	(100%)	(70%)

Fixed Production System	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999-1999	Sub-total	1992-2006	
Global	415	1910	4835	5195	3585	2155	1700	1025	665	835	445	445	445	445	24100	17250	41350
Canada	300	1195	3345	3970	2440	795	475	250	420	790	445	445	445	445	15760	17250	33010
	(72%)	(63%)	(69%)	(76%)	(68%)	(37%)	(28%)	(24%)	65%)	(95%)	(100%)	(100%)	(100%)	(100%)	(65%)	(100%)	(80%)
Newfoundland	175	325	1255	2085	2145	785	475	195	365	685	445	445	445	445	10270	17250	27520
	(42%)	(17%)	(26%)	(40%)	(60%)	(36%)	(28%)	(19%)	(55%)	(82%)	(100%)	(100%)	(100%)	(100%)	(43%)	(100%)	(67%)